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1948

August *NATION'S* 1948 1949

# *BUSINESS*

PERIODICAL ROOM  
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UNIV. OF MICH.

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# solution

Good shotgun powder alone can't make a champion out of a dud. But it can mean the difference between a hit and a miss for experienced shooters. That is why more skeet and trap events have been won with Hercules Red Dot sporting powder than any other. Skeet and trap experts specify Red Dot loads because Red Dot gives precision patterns with light recoil regardless of weather conditions.

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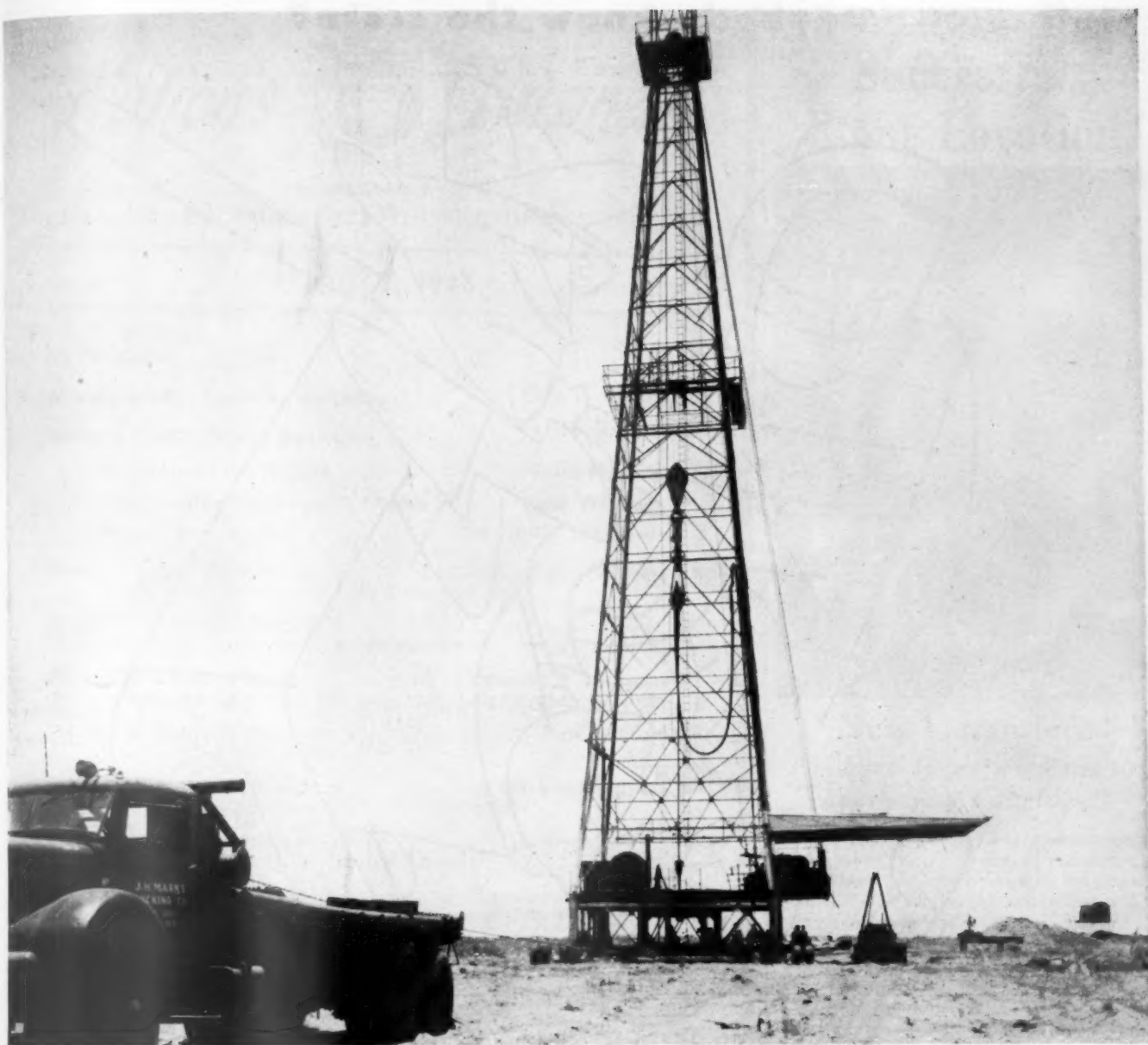


## HERCULES

HERCULES POWDER COMPANY

947 Market Street, Wilmington 99, Delaware

CHEMICAL MATERIALS FOR INDUSTRY



## Idea: move a derrick on roller skates

### *A typical example of B. F. Goodrich improvement in tires*

**T**HIS oil well derrick is as high as a 15-story building. When they finish drilling an oil well, they ordinarily dismantle the derrick, move it piecemeal to a new location. It's a slow, costly operation, for these derricks are heavy and cumbersome and are loaded with engines and drilling equipment.

A Texas contracting firm wanted to cut moving time, save money. They wondered if 150-ton derricks could be moved intact—on rubber tires. They came to B. F. Goodrich engineers with their problem.

Then, following the tire recommendations of B. F. Goodrich engineers

they built four "roller skates" or dollies with four big tires on each. With a heavy truck and a tractor pulling, and one of these dollies under each corner, the derrick shown in the picture was moved  $3\frac{1}{2}$  miles to a new location. Now "skating" these derricks cross country is regular practice for this contractor.

Working with anyone who has a transportation problem is typical of the work of B. F. Goodrich engineers. Whether you're moving oil derricks or empty cartons, chances are that the recommendations of the B. F. Goodrich man will save you money.

B. F. Goodrich has developed special truck tires for many purposes such as a snag-safe tire for rock quarries, a tire for underground mines, an extra thick tread tire for delivery service, a tire for combination off and on the highway—even a special tire for the farmer's plow.

When you need truck tires, see the B. F. Goodrich man. *The B. F. Goodrich Company, Akron, Ohio.*

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**B. F. Goodrich**



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# Nation's Business



PUBLISHED BY  
CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 36

AUGUST, 1948

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LAWRENCE F. HURLEY—Editor

PAUL McCREA—Managing Editor    LESTER DOUGLAS—Director of Art and Printing  
Assistant Editors—W. LEE HAMMER, TOM W. DAVIS, NORMAN KUHNE  
Contributing Editors—HERBERT COREY, JUNIUS B. WOOD  
CHARLES DUNN—Staff Artist    RALPH PATTERSON—Assistant to Director of Art  
ORSON ANGELL—Advertising Director    JOHN F. KELLEY—Business Manager  
Advertising Managers—Eastern, VICTOR WHITLOCK; Western, RAY ORWIG  
Circulation Managers—Eastern, DAVID V. STAHL; Western, FLOYD C. ZEIGLER

GENERAL OFFICE—U. S. Chamber Building, Washington 6, D. C. BRANCH OFFICES—New York 17: 420 Lexington Ave., LEXington 2-3450; Chicago 3: 38 So. Dearborn St., CENTral 5046; San Francisco 4: 333 Pine St., DOnglas 6894; Cleveland 15: Hanna Bldg., CHerry 7850; Detroit 2: General Motors Bldg., TRinity 1-8989.

As the official magazine of the Chamber of Commerce of the United States this publication carries notices and articles in regard to the Chamber's activities; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. Nation's Business is published on the 30th of each month by the Chamber of Commerce of the U. S. at 1615 H St., N. W., Washington 6, D. C. Subscription price \$15 for 3 years. Entered as second class matter March 20, 1920, at the Post Office at Washington, D. C., additional entry at Greenwich, Conn., under the act of March 3, 1879. Printed in U. S. A.

## Viewpoint for Successful Plant Location



### New Hampshire

*"Where there's a Plus in every pay envelope"*

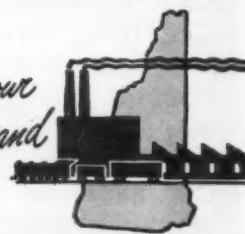
Nearness to markets, fine transportation, low power rates, highways of year-round excellence . . . New Hampshire has them all . . . *plus* another advantage that will pay you dividends!

Today it is increasingly recognized that employees who have less fight to "live" have more work to give. In New Hampshire's industrial areas workers own their homes, have well tended gardens, and enjoy intimate acquaintance with some of the most beautiful recreation country in the world. You can depend on New Hampshire workers, for those who live well . . . work well!



USEFUL to you will be the informative booklet, "A Plant in New Hampshire." Address: Merrill J. Teulon, Industrial Director, 307 State Office Building, Concord, N. H.

*Locate your  
New Plant and  
Live in*



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## About Our AUTHORS

AS managing editor of three German weeklies, before the war, **LEOPOLD SCHWARZSCHILD** made it his business to keep a close tab on union activity in his own and in other European countries. At the same time, he also made it his business to do everything he could to prevent the rise to power of Adolf Hitler. In this latter task Schwarzschild made little headway and eventually was forced to flee for his life. Holland was his first stopping place. When the German armies invaded that country he booked passage to the United States, where he has remained ever since. He now devotes his time to writing and has been a frequent contributor to **NATION'S BUSINESS** in the past few years.

EVER since her graduation from Barnard College, **FAYE HENLE** has worked for the *New York Journal of Commerce*. Right now she's assigned to covering conventions and to doing features of interest to business men. Though Faye would much rather write about people than things, most of her assignments for the paper fall in the latter category.



SARONY

As a result, she leaps at every chance to do a personality sketch that comes her way. Some years ago one of these sketches grew like Topsy until it finally appeared as a book called "Au Clare de Luce," the unauthorized biography of Clare Boothe Luce. More recently the possibility of a story on Ralph Coxhead and his Vari-Typer caught her fancy. It caught ours too, as can be seen in "Museum Piece Comes to Life." Someday Faye hopes to enter the publishing business—to put out a Vari-Typed, foreign-language paper of her own.

THE number of things that **BEN JAMES** has done during his life is almost fantastic. He's practiced law, taught school, done advertising promotion, been a play doctor, magazine editor, and has roamed the world as a correspondent. This veritable jack-of-all-trades—and master of most he has tried—was

born in Iowa where agriculture is the dominant interest and where county fairs have more than usual significance. One of his first jobs after leaving school was selling fireworks to country fairs. Later he renewed his acquaintance with the fair business when, as an associate editor of the now-defunct *Country Home*, his work once again brought him into frequent contact with fairs.

IN 25 years of writing about government and politics, **ROBERT D. BYRNES** has subscribed to the belief that, unless a reporter can interpret news of fiscal affairs, he had better leave that field to those who can. Besides, leaving such stories to some one else gave him more time to write about unemployment compensation and atomic energy legislation, on which he has specialized. But the excise hearings of the Ways and Means Committee listed a Connecticut witness and Byrnes, as the Washington correspondent for the *Hartford Courant*, covered the hearings. He came away believing that, if there were incongruities in the excise tax picture, only common sense would be needed to point them out.

Rep. Harold Knutson of Minnesota, chairman of the House Ways and Means Committee, must share this belief because he recently announced that the Joint Congressional Committee on Internal Revenue Taxation has been directed to make a study aimed at reducing wartime federal sales taxes, particularly those imposed at the retail price level.

LIKE most anglers **CHARLES DE FEO** goes in for the big ones. Because of their size and fight, bass and salmon are his specialties and he spares no effort in making sure that he has the correct equipment to lure and land them. As a result Charlie has been tying his own flies for a long time and has become so adept at this intricate job that he is now regarded as one of the country's leading amateur fly-tiers. And not unlike most anglers Charlie wished he could stretch—by just a tiny bit—the size of the mounted bass which he painted as a part of this month's cover. Unfortunately, lack of space left him no out.



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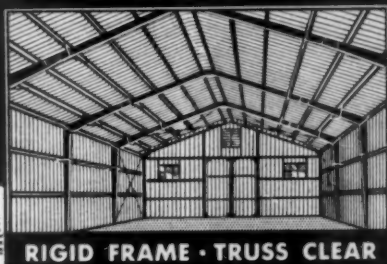


HORSE BARN

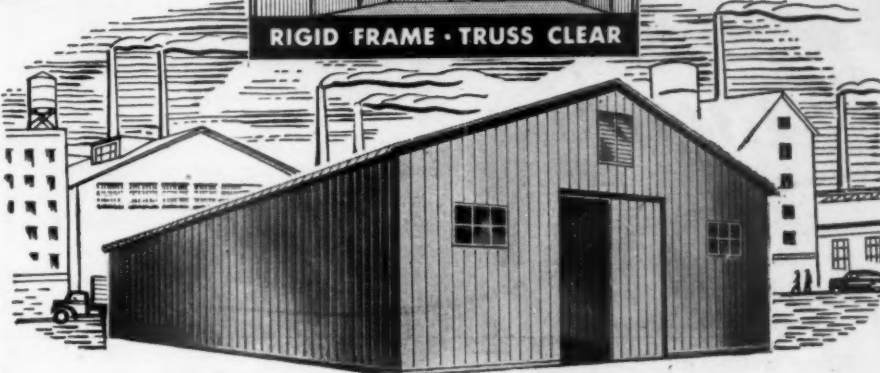


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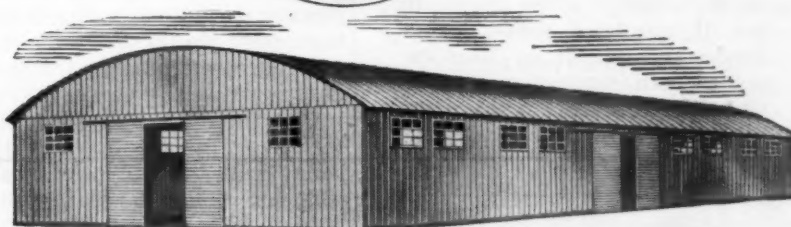
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# GLASS FOR INDUSTRY



BY *Dunbar*

This ceiling fixture, manufactured by H. A. Framburg and Company, Chicago, is but one example of Dunbar Glass Engineering.

Glass styling and development in new residential lighting has posed these problems: It must be informal but dignified in design, provide maximum light diffusion, conceal unattractive bulbs, be adaptable to installed electrical systems, be easy to clean and replace, and be priced for a mass market.

Here Dunbar has fulfilled these requirements with a pleasing moulded glass shade.

## Can Moulded Glass Solve Your Design Problem?

Call on Dunbar, America's most versatile glass plant, to see if moulded glass, either lime-soda crystal or heat resisting, can improve your products. We'll be glad to share our 37 years of "glass know-how" with you.



Write for Dunbar's brochure NB-B on "Industrial Glass."

*Dunbar Glass Corporation*  
DUNBAR, WEST VIRGINIA  
New York Chicago Cleveland Los Angeles

# NB Notebook

## Vacation debit

WITH so many business activities measured by means of indexes, it is well to sound a little warning. The production figures for July that will be coming along this month are likely to show declines which, however, do not have to be taken too seriously.

The indexes may fall but all they will be registering is the happy business of having a vacation. Production workers now enjoy paid vacations just like their white collar associates. So more and more companies are shutting down plants for the stated period.

The result is a loss in production which is usually made up through overtime both before and after the shutdown. The statistical people who calculate the indexes nicely for seasonal adjustment must now devise a way of including the vacation factor.

## Security and ambition

A RATHER adroit poll has been made by the Psychological Corporation to measure the trend of socialism or state capitalism in this country. The question asked involved no mention of abstract political belief. It simply wanted an answer on whether the person interviewed would prefer to work for a private business or for some department of the Government.

One third of those queried voted for government jobs as against the ten per cent who now are working for federal, state and city agencies.

"Greater security" was the principal reason given for the choice which ran this way by percentages: Unskilled workers, 48; skilled workers, 34; white collar, 27; and owners and managers, 18. In the unskilled labor category, the choice for government jobs ran ahead of those preferring private work 48 to 45, with seven per cent uncertain.

The principal reason given for wanting to work for private companies was "greater chance for advancement." Ambition, therefore, is still dominant but security is an influence which seems to need emphasis in private industry.

## Court edicts

TWO vital decisions affecting American business and its future were handed down in the last term by the U. S. Supreme Court—both of them victories by wide margins for the Federal Trade Commission. The high court ruled six to one against the multiple basing-point system of pricing used by the cement industry and in the Morton Salt case, by seven to two gave a new twist to the Robinson-Patman Act by outlawing quantity discounts that involve price discrimination. Previously, the FTC had to prove injury to competition and now, according to sound legal opinion, the injury is implied.

A host of major products, including steel, are caught up in the multiple basing-point edict, which follows after a long lag the court's decision against "Pittsburgh Plus," or single basing-point system. The gist of the basing-point practice is that freight is charged from specified cities regardless of where the customer takes delivery. His plant may be right around the corner from the mill but he pays the price plus the freight from what may be a distant point.

A score of other basing points were adopted after "Pittsburgh Plus" was ruled out yet, in principle, the pricing arrangement remained the same.

Shortly before the court ban on basing points became effective last month, the big cement companies announced f.o.b. prices and, quite to the surprise of other leaders, the United States Steel Corporation decided on the same step.

The steel case was still pending,

and it was thought at first that moves would be made to have Congress legalize base-point pricing. Now the theory is advanced that steel and the other industries affected may wish to prove by practical examples how f.o.b. pricing will work out to the disadvantage of many industrial consumers who have to pay freight which was previously absorbed. Maybe they will take the case to Congress.

To business observers, the time seems closer when some over-all decisions must be reached concerning how big industry can be fitted more appropriately into our democratic system.

### Management spotlights

THROUGH the war years and until recently production men have reigned supreme in many lines of industry. The sales end of management suffered almost complete eclipse.

The situation reminds some business observers of the circumstances leading up to 1929. For several years before that disaster it was the financial officer who "ruled the roost," as he put together various mergers. Then his big scene on the business stage was over.

Production men and engineers are not likely to fade from the foreground while so much emphasis is required to bring down costs and thereby prices. But they will certainly have to make room for the sales officer in the business action coming up.

### Steady work

RICHARD R. DEUPREE, president of the Procter & Gamble Co., has "carried the torch" for stabilized employment for almost 20 years. His company has operated a guaranteed employment plan since 1923.

Over that period there have been several stern tests of the plan but Mr. Deupree asserts that "not a single employe who came under the plan has been laid off because of lack of work." As readers of NATION'S BUSINESS have learned through an article by Deupree in a past issue, the company guarantees 48 weeks of work in the calendar year provided the employe is willing to take any job available. The employe becomes eligible after working two years for the company.

Deupree told a dinner meeting of newspaper publishers recently that the commodity price break in February raised a problem. Dealers and consumers reduced their purchases.

"For eight weeks we were com-



... Mark of PROGRESS in Railroading



## How pure is pure water?

EVEN drinking water isn't pure enough chemically to meet Erie's standards for Diesel locomotive use.

Big engine radiators, and heating and air-conditioning systems for passenger trains must have water free from corrosive and scale forming elements. To get pure enough water, three large purification plants are operated by the Erie. Here impurities are removed at the rate of about 6 lbs. of solid matter per 1000 gallons.

Electronic analyzers constantly check the processed water. Other tests are made frequently by plant operators

and traveling chemists as additional checks to insure purity.

This is but one example of laboratory control carried on by the Erie.

Examinations of materials now used and research to discover even better methods and equipment are constantly under way. Such a program is typical of *progress in railroading* — progress for continued improvement of transportation.

## Erie Railroad

Serving the Heart of Industrial America







## sidewalk superintendents

Most folks like to take time off to watch an underground construction job. Construction men call them "sidewalk superintendents." If you should happen to watch pipe being installed for a water main, look for the "Q-Check" mark which tells you it's cast iron pipe. More than 95% of the water distribution



mains in America's water supply systems are constructed with cast iron pipe.

Why? Because of its proved record in the public service. By avoided replacements, which would be necessary with shorter-lived pipe, cast iron pipe has saved, and is now saving millions of dollars for taxpayers. Cast Iron Pipe Research Association, T. F. Wolfe, Engineer, 122 S. Michigan Ave., Chicago 3, Ill.

This cast iron water main has served the citizens of Philadelphia for 126 years.

# CAST IRON PIPE

SERVES  FOR CENTURIES

LOOK FOR THIS MARK

IT IDENTIFIES CAST IRON PIPE

pelled to carry larger inventories than we liked," Deupree said, "but nevertheless we kept our production up. We knew that consumption was going on, and that it was just a matter of time until the inventory situation would be straightened out."

## Industry spreading

OVER half of a cross-section of American industry has "decentralized" because it bought going companies elsewhere or purchased surplus war plants, according to a survey by the National Industrial Conference Board. About 25 per cent of the companies reporting indicated that they have a definite policy of decentralizing plant facilities.

Where there is a set policy for spreading plants, the advantages were cited as: proximity to important new markets, tapping new sources of labor, greater efficiency in smaller plants, improved human and public relations and the opportunity of segregating unlike operations in separate plants.

The study noted a definite trend toward locating manufacturing plants in the smaller cities and towns. Cities and towns with 10,000—100,000 population are reported to be the most popular places for plants started up from 1940-47.

Almost 30 per cent of the plants established since 1940 are in towns of 10,000 or less, against only 20 per cent of the plants built before 1940.

## Radio audience

IF THERE is great complaint about radio commercials just consider how many ears are offended. The Broadcast Measurement Bureau reports that 37,623,000 families owned one or more radios as of January, 1948. And all of these radios "in working order," too!

According to BMB this represented 94.2 per cent of all U. S. families as against an estimate of 90.4 in January, 1946.

While the broadcast organization testifies to the "meticulous execution" of its survey, it admits that no formula or sampling can substitute satisfactorily for a complete census. This census is promised for 1950, and BMB hopes a question on radio ownership will be included.

We trust BMB will not be disappointed by having the census prove its figures are off the mark. And meanwhile we suggest that a curb on objectionable commercials



might see more sets "working" as well as "in working order."

### Retail maxim

AN OLD rule, and a good one, in retailing maintains that the secret of success is having "the right merchandise at the right price at the right time."

During the fall buying season of a few weeks back, retailers were striving diligently to work back to this simple principle after the long period of having to take from many of their suppliers, "the wrong merchandise at the wrong price and at the wrong time."

In the war years and in the post-war period of shortages, violation of the rule did not mean much. Whoever had merchandise prospered. But now the buying public has become more choosy and the old success formula must be observed.

### Labor experting

SOME able economists are now figuring out things for the big labor unions. The days when battles were won by the side which packed the hardest punch on the picket line has passed. What seems to count now is a good sock in the arena of economic argument.

The unions appear to have equipped themselves pretty well for this new type of controversy. Thus, the CIO in a recent issue of its *Economic Outlook* gets to talking about wages and profits. And, since wages are usually published as "before taxes," the CIO writer makes his comparison of wages with profits "before taxes."

There is nothing foul about this blow because both direct and indirect taxes take quite a slice from the average weekly wage reported for factory workers.

### In-plant feeding

THE factory cafeteria as a means of building worker morale was voted close to top honors by both management and labor unions in a survey made by Crotty Brothers, Inc., industrial restaurant managers of Boston. A report on this study was given in a recent issue of the *Harvard Business Review*, which indicated that, in 1944, more than eight out of every ten plants employing 1,000 workers or more had cafeterias.

Management put athletic teams and clubs first on its morale list with 40 per cent, but the cafeteria came a close second with 36 per cent. The company newspaper

## What's behind the dial?



Behind the dial is the *heart* of your business—your records! Think—how could you continue after fire destroyed your inventory records, accounts receivable, tax records, deeds and contracts? How could you even establish proof of loss to collect your fire insurance? 4 out of 10 firms never reopen after losing their records! That's why your *safe* is so important!

### How You Can Be Sure Of Your Safe

Look for the label of the Underwriters' Laboratories, Inc., on your safe. Don't trust *any* safe that doesn't have it! Modern Mosler safes pass their toughest tests with plenty to spare—you can depend on Mosler.

There's a Mosler safe to meet your requirements exactly, at less than you'd expect to pay. Find out about it now, before fire strikes! Fill in the coupon below and mail it *now*.



Mosler "A" Label Safe with burglary resistive chest for dual protection against fire and burglary.

## The Mosler Safe Co.

Main Office: 320 Fifth Avenue  
New York 1, N. Y.

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Factories: Hamilton, O.

Largest Builders of Safes  
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Builders of the U. S. Gold Storage  
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Established 1848

The Mosler Safe Co., Dept. 38  
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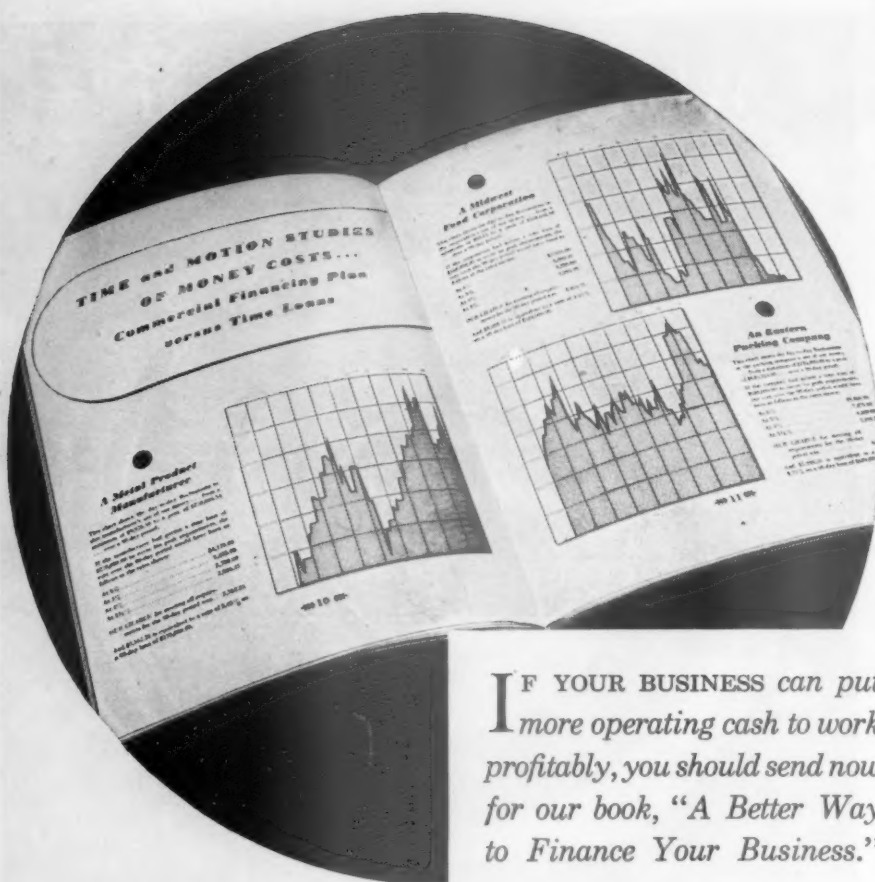
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scored 26 per cent for third place.

Local labor leaders, as might be expected, believed the encouragement of attendance at union meetings was number one (68 per cent) and then ranked the cafeteria second with 44 per cent. However, they also put in a good vote (27 per cent) for free coffee in the mid-morning and mid-afternoon, so maybe the food and Java, if combined, might have scored first place.

An overwhelming vote was recorded for service at cost in the cafeterias. Management registered 78 per cent and the labor groups 70 per cent. Subsidizing drew 23 per cent from labor and nine per cent from management.

### Company news

ALONG with the great growth in public and industrial relations has come expansion and notable improvement in company publications. Not so long ago they were just "house organs," and often just a folder whipped up hurriedly as a side job of the advertising department.

Company publications today have editors and staffs. Some of the "externals" as they are called when circulation extends outside as well as inside the organization, compare in format with the best of regular magazines. *Friends*, house magazine of Chevrolet Motors, which has resumed publication after its wartime lapse, has a circulation of 1,400,000.

What to put in a company publication is the constant problem of earnest industrial editors. Minnesota Mining & Manufacturing Co., of Minneapolis, found that product stories ranked first, followed by personals, editorial matter and company policies. Joke and feature columns were less popular.





## MANAGEMENT'S Washington LETTER

► BIGGEST CHRISTMAS is already on the way. Goods are moving to retailers.

Manufacturers, distributors, expect rising dollar volume to continue through holiday season.

There's basis for their optimism.

Wages continue upward. So do national income figures, retail sales, employment, crop prospects.

But here's something to paste in your Spring bonnet:

Recessions—when they come—have a way of sneaking up on you.

Remember the record:

Money panic of 1907 was touched off suddenly, unexpectedly, by collapse of a New York bank.

The 1920 recession hit folks in their pocketbooks, bank accounts, when they weren't looking.

Economist Roger Babson won fame by forecasting 1929 crash (to deaf ears).

And 1937 slump was practically over before it was generally known there was anything wrong.

This isn't warning that boom is about to bust. It's a suggestion to play 'em close to your chest.

► SIGNS OF CAUTION lacking in the splurge period before 1929 debacle are appearing.

Manufacturers find merchants becoming more wary of overstocked inventories.

Sales managers agree that the sellers' market is petering out in many lines—rapidly.

One answer: Better salesmanship.

How's yours?

And your management setup?

Trimming already has begun in some businesses feeling the pinch of supply catching up with demand.

Here's an example:

Frank B. Pollock, president of Thatcher Glass Manufacturing, informs stockholders he has cut all salaries—including his own.

Chopped his own 20 per cent and went on down the line to 6 per cent for those in lower salary brackets.

Thatcher was running at 65 per cent of capacity due to "unrealistic pricing policy of the industry."

Glass container selling prices, he said, are only 28 per cent higher than prewar.

"...and offhand I can think of no other industry that has failed to advance prices from 50 to 100 per cent and even more to maintain its profit margins in the face of cost increases."

Pollock also closed one plant, "severed numerous people whom we felt we could get along without in view of the decline in volume."

Net result: an estimated total annual operating savings of \$185,000.

How would you tighten your operations?

► WATCH FOR REPORT of National Security Resources Board (master defense planning agency) to White House on place of controls in defense preparedness. It's due this month.

Switch for turning them on is in new selective service bill's industrial mobilization provisions...mandatory defense production, steel allocation, even plant seizure is provided.

Getting scarce materials by doing defense work may make the difference between staying in business or folding up for many.

Smart business men study their prospects of handling military output.

And smart bankers ask them questions on this point when they come in for loans. Bankers probably will be happier to talk credit with toolmakers than with toy manufacturers.

Unless toy producer can show potential in essential output he may have trouble getting loan.

► RECORD 1948 CORN CROP which Bureau of Agricultural Economics predicts—3,328,862,000 bushels—should mean more pork on dinner tables.

But you won't see results before next year's pigs go to market—in larger numbers than this year.

And they won't make big enough dent in over-all meat shortage. Shortage of meat and high prices for it will be with us for long time yet.

Whole 1948 BAE crop outlook is good.

Corn: biggest crop ever...wheat: second only to last year's all-time high...oats: well above average yields...barley: likewise...rice: near record production.

Yet world grain market may change.

Both Russia and Argentina have large grain crops this year. And European yields are much improved.

So U.S. farmers may get squeezed some on grain exports. But they can't get hurt very much.

Congress took care of them this year by keeping support-price levels for grain comfortably high.

Present levels run through 1949. They'll keep prices of grain foods,



# MANAGEMENT'S Washington LETTER

feeds, from sagging much if at all.

So it's unlikely that Congress will hear many complaints from farmers on that score.

► CONGRESSMEN WILL hear from some other folks on another score—veterans on housing.

Listen for housing howls at the Veterans of Foreign Wars conclave in St. Louis late this month.

They'll be repeated later by Amvets in Chicago, American Legion in Miami.

Here are specific complaints:

1. Government is doing home loan guarantee business with two sets of interest rates.

Veterans Administration guarantees loans with maximum of 4 per cent interest.

FHA allows 4½ per cent plus another half for mortgage insurance.

Lenders are leaning more toward FHA-backed loans, away from those insured by VA.

Over 20 year pay period VA officials estimate it costs veterans 10 per cent more under FHA than VA programs.

2. To encourage private lending, Congress set up new secondary mortgage market for loans guaranteed by VA and FHA.

But veterans' organizations claim it's inadequate.

Plan permits lenders to sell not more than one fourth of loans insured by VA or FHA after last April 30 to Federal National Mortgage Association, RFC subsidiary.

That precludes about \$7,000,000,000 of VA-insured and \$12,000,000,000 of FHA-backed mortgages approved by those agencies before that date.

That's money lenders can't get from FNMA to make additional home loans to veterans or anyone else.

3. FNMA can't buy paper on multiple dwellings of over four-family size.

4. New housing law permits FHA to insure 95 per cent of loans for cooperative housing projects for World War II veterans. But these mortgages are limited to \$1,350 per room.

Veterans complain that in most localities such projects can't be built within that figure.

"The new law doesn't give us anything much we didn't already have—which wasn't enough," is a VFW officer's view.

► CAN A COMMODITY'S price continue upward in the face of declining sales?

Yes—at least for a while.

Good example is tires. Slump in sales brings production cutbacks.

But prices have been boosted for second time in nine months. Latest rise is from 4½ to 10 per cent for some sizes.

Free of major strikes since war's end, able to reconvert quickly, tiremakers caught up with demand early this year.

Wage increases, higher material and overhead costs force the price rises, manufacturers say.

► IF YOU USE materials for which U.S. depends mainly upon imports don't bank too much on ERP to increase supplies.

Under plan U.S. is to get more basic, strategic materials in return for its ERP dollars.

But their production in ERP country colonial possessions will require new machinery, equipment.

Much will be same scarce machinery, equipment needed to rehabilitate ERP countries themselves. And that comes first. Won't be enough for both jobs for months.

► YOU'RE LIKELY to be affected by new trend away from basing-point pricing.

Trend got started when cement industry by U.S. Supreme Court order switched to f.o.b. pricing. Cement users now pay freight rates from mills.

That ups or drops your price, depending on delivery distance. Basing-point system was used to help equalize geographic differences, enabled widely separated manufacturers to compete in each other's territory.

Since change to f.o.b. cement price trend has been upward. Same will be true in other basic industries that make the change.

U.S. Steel Corp. already has switched. Corporation spokesmen say it will be some months before full effects of this "minor industrial revolution" make themselves known.

Many orders for future delivery will need revising.

One Detroit auto manufacturer figures steel he needs may jump from \$6 to \$10 more per ton.

This much seems certain:

Congress next year will be deluged with requests to legalize delivered pricing, basing-point system.

Present outlook is: It will.

► SELECTIVE SERVICE is worried about getting enough citizens to serve on peacetime local draft boards.

These jobs are viewed by many war time

## MANAGEMENT'S Washington LETTER

board members as good formula for losing friends, alienating neighbors.

Today war urgency is lacking, services need only about one tenth of eligible men, many more exemptions are possible.

All of which makes it tougher to explain to that tenth boy why his nine pals aren't going drilling with him.

► **TAFT-HARTLEY** labor law's first birthday just passed. This month a heavy load of bargaining contracts comes up for renewal.

Year ago many contracts (most for one year) were rushed through to avoid law's terms before they became effective. For them this is law's first application.

► **THERE'S A NEW LOOK** in family income figures.

Low income families are becoming fewer. Numbers of those with middle and high incomes increase.

Latest figures show 8 per cent of families in \$7,500-and-over class compared to 6 per cent in 1946, 4 per cent in 1945.

Corresponding percentages for the \$5,000-\$7,500 group: 13, 9, 8. For \$1,000-\$2,000 class: 18, 20, 22.

More than one fourth of non-farm families expect incomes to be greater in early 1949 than this year.

One-tenth think they will be less.

Two-fifths expect no change.

Today biggest slice of total goes to families with over \$7,500—30 per cent.

► **STOCK MARKET** is a sentimental place.

Wall Street watches business statistics paint a glowing scene. Yet Street still hasn't recovered from its slump of nearly two years ago. Securities men aren't sure why.

Sentimental angle as reflected in latest Federal Reserve reports shows wariness of most buyers toward market.

Sixty-two per cent of families with \$2,000 incomes and over oppose common stock investments, confess ignorance of market, fear risks it involves.

Common stocks are least favored of major types of assets. Savings bonds, bank deposits, real estate rank higher.

► **MONEY MULTIPLICATION** in banking transactions will add to other inflationary effects of ERP spending by U.S.

Here's how:

After certification by his own government and ECA foreign importer gets purchase order.

Then ECA deposits money to cover it in a U.S. bank of foreign nation's selection if purchase will be made here.

Bank need hold only required reserve of this deposit, can lend rest. Borrower may deposit loan in another bank which also can follow reserve-lend process. When original ECA deposit (they'll total millions of dollars) has cleared 20 such turnovers it will have multiplied roughly six times.

Same thing happens with U.S. gold purchases when money paid by U.S. treasury goes into U.S. banks.

► **WHERE CAN GOVERNMENT** economy ax swing hardest?

Congress hopes to find much of answer in report (due next January) from Hoover Commission.

Federal employment figures indicate ax swinging will be tougher than many anticipate.

Employment totals 2,030,861.

Biggest chunk: 845,945 civilian employees of defense program. Next: eight non-defense agencies with 782,530, of whom 482,000 are in Post Office.

War, postwar agencies: 25,809.

Balance: 376,490 in 37 independent agencies, including VA's 203,000. And White House: 1,087.

► **BRIEFS:** You'll see more new domestic, less imported glassware on dinner tables. Imported glassware prices are up, style and quality off and down.... Wary resort operators keep fingers crossed as Labor Day nears. Many Fourth of July resort visitors slept in their cars, shunned expensive eating places. ...Coal shovels on locomotives are going the way of buggy whips. American Locomotive's Schenectady plant completed its last steam engine (for Pittsburgh & Lake Erie Railroad), now makes diesel-electrics exclusively....Dry ice (it brings \$35 to \$65 a ton) is by-product of new natural gas burning process for reducing iron ore at lower cost....While it was conducting its "stop inflation" drive during April, May, June, Treasury paid out \$40,000,000 more in redemptions than it took in on E bond sales....Estimated 30,000,000 home permanent waves will be bought by U.S. women this year. ...Druggists find film developing good business addition. Last year they made 1,000,000,000 prints....New Jersey executive sent each of 3,680 employees recording of firm's annual report.



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# TRENDS



## OF NATION'S BUSINESS

### *The State of the Nation*

IT IS an interesting experience to glance again at one of those standard arithmetic books which young America studied at school in those distant years immediately preceding World War I. Some of the material set forth in those venerable texts is still reliable. But other sections seem to have no relation whatsoever to life today.

Measures of weight, of capacity and of distance are as valid now as they were 40 years ago. The pound avoirdupois is still 16 ounces; the gallon continues to contain four quarts; the yard totals the same 36 inches that it used to have. Moreover, we know that by visiting the Bureau of Standards we can verify the fact that all of these measurements have remained constant. The passage of time has not changed the weight of the ounce, the size of the quart or the length of the inch.

But in another field of measurement, certainly no less important than those mentioned, the old arithmetics seem hopelessly out of date. There is no validity, for present-day living, in the tabulations entitled "Measures of Value."

There one may read that in the United States: "The unit of value is the dollar. Its standard weight in gold 25.8 grains." It is further stated that \$4.8665 in American money is the value of an English sovereign; that the value of the French franc is \$.193 and that of the German mark is \$.2385.

The author of this particular "Standard Arithmetic" concludes that since all these currencies are valued in gold it is "a simple and interesting

calculation for the student" to determine the exchange value of the English sovereign in French francs, and so on. The wording is nostalgic, but far from reliable for business life today.

• • •

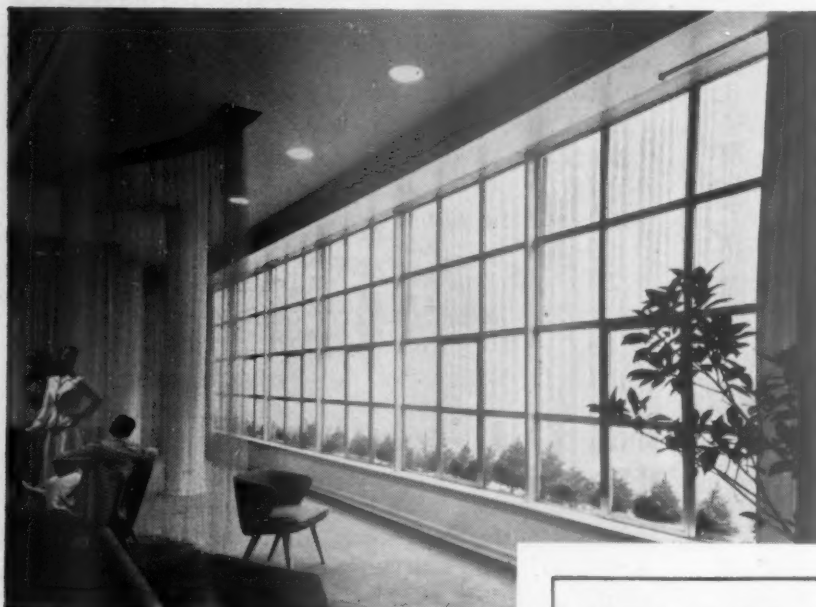
Instead of being a simple calculation it is now no longer possible for well-informed adults, let alone schoolboys, to work out the exchange rate of the pound in francs, or other international combinations. One would have to know first what sort of English pounds and what sort of French francs are involved and even then the answers would be uncertain. For these are the days of what are euphemistically called "multiple currencies."

The pound sterling, for instance, is no longer worth the 4.8665 clearly defined dollars of 40 years ago. It is not worth the 4.03 contemporary dollars for which the paper sovereign is officially sold in London. Over here one can readily purchase English pounds at the rate of \$2.90 apiece. And because of this discrepancy the British Government recently warned American tourists that they may only bring five pounds apiece into England. "Any sterling above this amount will be confiscated."

The currency devaluation which has taken place in every country, as the result of two world wars, is of course an enormous obstacle to the restoration of healthy international relations. But the moral deterioration involved is even more



Baskin's, Chicago, installed 456 *Thermopane* units to provide more daylight and year-round comfort for the store interior. View below shows dramatically how practical large glass areas can be when glazed with *Thermopane* to assure maximum comfort. Architect: Holabird and Root, Chicago.



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damaging, because more subtle, than the impediments to trade and travel.

If measurements of weight and distance had been similarly distorted, so that a ton were now a number of diminishing pounds, and the foot a measure of contracting inches, the disintegration of standards would be apparent to all. In the case of monetary debasement the damage done is at first less obvious, for people do not readily realize that they can be shortchanged by an unscrupulous government more easily than by an unscrupulous tradesman.

Nevertheless, it has always been the practice of governments to meet their pressing financial obligations by one form or another of currency depreciation. The passage of nearly two centuries has only confirmed the assertion of Adam Smith, in the fourth chapter of "The Wealth of Nations":

"For in every country of the world, I believe, the avarice and injustice of princes and sovereign states, abusing the confidence of their subjects, have by degrees diminished the real quantity of metal, which had been originally contained in their coins."

Money, as long as it is stable, is a convenient measure of value. But the only quality which makes money reliable as a measure of value is stability. Indeed stability is the essential characteristic of any measurement—of weight, or volume, or length—or of individual character.

Because men are not always themselves reliable they long since entrusted government with the establishment and enforcement of those standards which are necessary for commerce of every kind. Gradually it became the province of government to define the units of measurement, and to see that those units were not changed at the discretion of buyer or seller. And thus the arithmetics of a generation ago could define for children not only the standard "weights and measures" but also the national units of monetary value—nearly all linked to gold and therefore automatically linked to each other.

So far as monetary value is concerned, the coming of the era of "managed currencies" has changed all this. It has replaced a standard which was reliable by arbitrary and artificial arrangements. These can now be changed by essentially irresponsible officials without any general realization that a change is being made. Indeed, only as the dollar buys less and less—of food, clothing, housing, or other necessities—do people as a whole begin to be dimly aware that there has been tampering with standards; that the trust which they placed in government to maintain standards has, in the monetary field, been misplaced.

The bitter irony in this situation is that as government undermines one of the basic standards

of civilized life, it simultaneously seeks power to impose new standards in other fields.

Even as they were debasing their currencies, governments have sought successfully to extend their power over education, religion, industry, working conditions and, through conscription, the militarization of youth. If logic means anything a government should be compelled to maintain the fundamental standards entrusted to it, before it is permitted to extend its controls in more debatable fields. If a guardian proves himself untrustworthy his authority should not be extended; it should be curtailed.



Under existing circumstances it is probably impossible, at least in the near future, to restore the international gold standard which used to give stability to commercial transactions between nations. We must reconcile ourselves to the fact that—for all our talk of world cooperation—governments have actually become far more isolationist than was the case before World War I.

But it is wholly possible, and practical, for the United States to protect its own financial standards by making our paper money redeemable in gold, restoring the right of the American citizen to own gold, as used to be taken for granted.

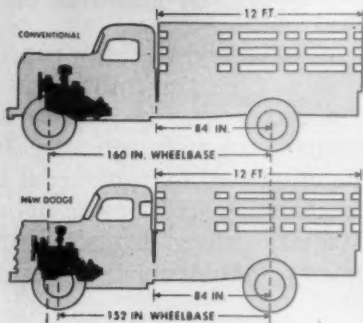
The only reason why this standard is not restored would seem to be the general ignorance of and apathy towards monetary problems. The power to control money was assumed by government so long ago that people have simply ceased to give consideration to the subject. But this indifference, as the dollar comes to measure steadily less in actual commodities, is no longer possible.

The problem of a stabilized currency is not simple. But it can be greatly simplified, like every other problem of life, if we start by reducing it to the moral elements involved. What we have done is to give our Government the power continuously to debase the standard of monetary value. That standard is still being debased. And the tolerance of debasement in this field, like any other compromise with evil, is insidiously encouraging the debasement of other standards.

An election year is more than an occasion to review the policy of a particular Administration, and that of the opposition which seeks to replace it. The contest also provides opportunity to re-examine and revalue the standards by which we live. That of monetary stability is not merely a technical problem. It is at bottom a definite indication of whether or not we value moral principles as a guide to living.

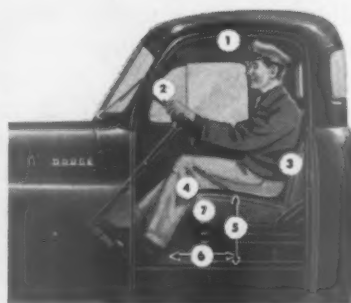
—FELIX MORLEY

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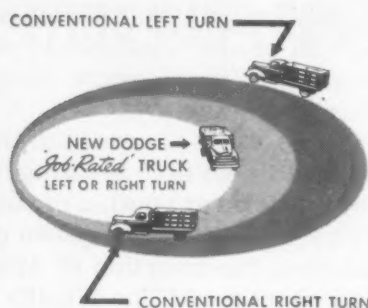
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By moving the front axle back, and the engine forward, more load is carried on the front axle, giving Dodge "Job-Rated" trucks much better weight distribution, plus ability to haul more payload.



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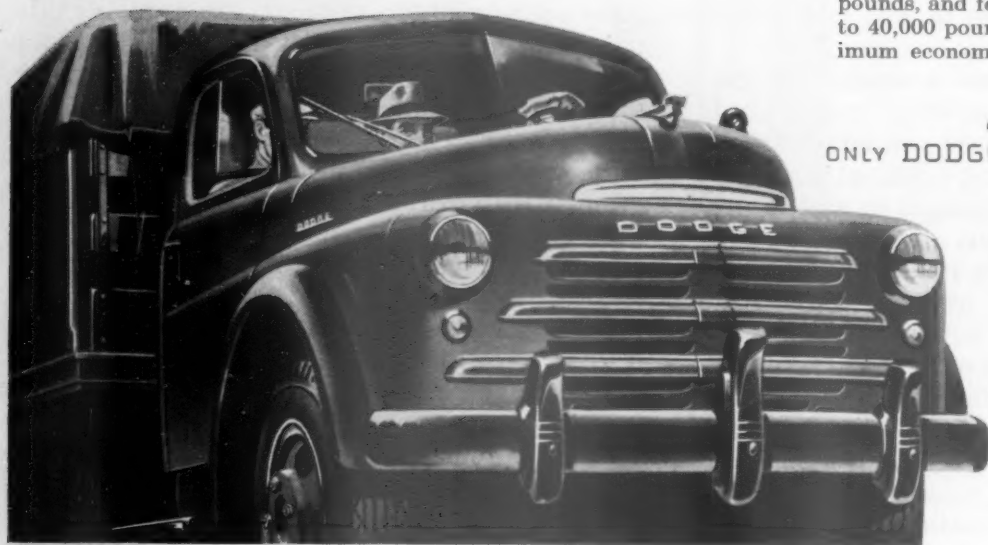
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# The Month's Business Highlights

**B**ULLISH factors, strong enough to override the disturbing features that go with a political campaign, will continue to dominate the business situation. Further stimulation will come after the election when an administration possibly more friendly to business may be in power. No early tax increase is in prospect and there are assurances that mandatory controls and other forms of regimentation will not be imposed.

Republican candidates are running on a solemn pledge "to reduce the enormous burden of taxation in order to provide incentives for the creation of new industries and new jobs and to bring relief from inflation." They also are committed to the "stimulation of production as the surest way to lower prices," to further reduction in the public debt, and to the elimination of unnecessary controls.

## Key to Party Speeches

The keynote speech at a political convention is scrutinized in advance almost as carefully as the platform. It sets the pattern party orators are expected to follow. In that pronouncement at the Republican convention it was emphasized that "the miracles of the laboratory and of the inventor's attic" have not been the products of an overpowering government, but the result of economic freedom. One of the party's powerful figures referred to rationing and price controls as the twin destroyers of production. He said there would be no return to the straitjackets of rules and regimentation. In fact, many binding pronouncements of the party that probably will be in control of the Government next year have been encouraging to the people who produce and distribute goods.

All the short-term prospects of business are favorable, but there is concern over the longer term outlook. How far inflation can go before a recession is touched off is anyone's guess, but it continues to be the No. 1 danger in the situation. Inflation has become less spectacular, because prices will not have to advance much farther until they will balance the money supply. Apparently there still is time for a new administration to launch its promised attack on the basic causes of inflation and take the steps necessary to restore "a more equitable and stable economy." Better crops throughout the world constitute a moderating factor.

## TRENDS



### OF NATION'S BUSINESS

Maintaining agricultural prosperity looms as one of the great problems of the next few years. Mechanization and the new chemicals have so changed crop prospects that support buying could run to \$1,500,000,000 in the foreseeable future. Maybe that amount would be justified to shore up the shakiest part of the economy. Chemurgists are looking forward to such a period to realize their 25 year ambition of utilizing agricultural surpluses to make alcohol. If the Government is stuck with huge stocks of grains at a time when petroleum is short, why not make alcohol for motor fuel? they ask. There now are enough alcohol plants to turn out 1,000,000,000 gallons. The Munitions Board also has designs on any surplus of grain because it wants to stockpile alcohol.

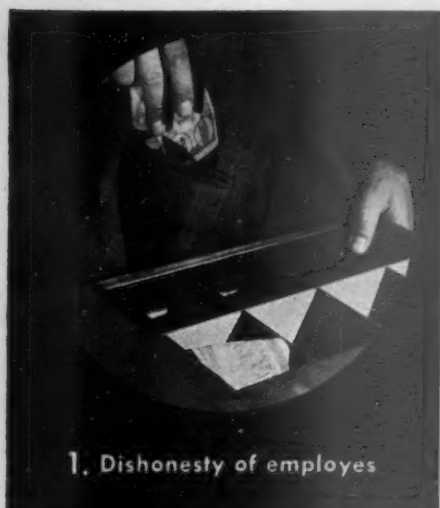
## Business Builds More Plants

Because of the promise of a prolonged period of business activity a sharp upturn is taking place in expenditures for plant, equipment, construction and modernization generally. Such expenditures by manufacturing companies, which had shown a tendency to lag, are again increasing. While the bulk of those expenditures is being made by the railroad, telephone, other public utility and petroleum industries, there has been an increase in the aggregate capital outlays by smaller businesses. Some of the larger manufacturing concerns have slowed down on capital expenditures because of uncertainties as to materials supply, but the basic situation continues strong. The industrial index may go to 200 by the end of the year.

Careful analyses have been made of the sources from which the money used for these purposes has been drawn. Those studies indicate that there has been no undue reliance on bank loans for such outlays. As in the past, much of this money has come from depreciation reserves and undistributed profits.

As wage rates move to higher levels, the inducement to improve mechanical facilities becomes stronger. It is more spectacular in agriculture, but comparable resort to mechanization is being made in many fields. Improvements devised under the stimulation of war needs gradually are being utilized.

Banking and other authorities have been using their influence to discourage capital expenditures with the thought that many needs of this type



1. Dishonesty of employees



2. Loss inside premises



3. Loss outside premises

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your business  
against these  
Five Major  
Hazards with  
*One Policy*



4. Loss of securities



5. Loss by forgery and alteration



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could be deferred until a downturn in business takes place. They fear industrial expansion at this time will be overdone.

Dollars are needed so urgently abroad that price concessions are being made on many items shipped to the United States in the hope of increasing the volume of the movement. At the same time prices are being advanced on commodities that are so critically short that price is not the determining factor. Production is being concentrated on articles in special demand in the United States with the result that the increase in imports is expected to continue at a gradually accelerating rate. Canada has greatly improved its dollar position by stimulating exports and continuing its restrictions on imports, but the maintenance of present standards of living in the Dominion depends upon the carrying out of the Economic Cooperation program and further changes in the reciprocal trade agreement with the United States. Canadians are convinced that as far as they are concerned the importance of the European market is diminishing. They are pinning their hopes on the prospects of broadening their markets in the United States.

American concerns already have more than 2,000 branch plants in Canada, but efforts are being made to increase American investments. The Canadians are thinking in terms of hundreds of millions of dollars. They are convinced this would be in the interest of the United States as well as of Canada. The Dominion would like to make a reciprocal trade deal that would enable it to supply more paper of higher grades, as well as newsprint, to cite one example.

Expenditures for automobiles and durable goods generally have taken some of the pressure off meat. Opening the American livestock market to Canadian cattle should help.

### More Western Production

The West is retaining most of its war gains. Lumber production is as great as in the peak year of 1944. It is 15 per cent higher than prewar. Petroleum output is higher than at any time during the war and also is 15 per cent above prewar. Cement mills are producing more than in any war year and are doing 17 per cent better than prewar. Electric power output is materially greater than during the war and is up nearly 25 per cent as compared with 1939. Sharp decline in manufacturing employment in California pulls down the average for the region, but that index again is rising. At its low point in 1946, it still was one-fifth greater than prewar. Carloadings never have returned to the prewar level and department store sales are more than three times greater.

Substance of comment by government econo-

mists on a variety of developments follows:

Inventories in most lines appear to bear a reasonable relationship to sales because of the favorable behavior of turnover ratios.

As a result of stricter credit conditions, quite a shaking down is taking place in the canning industry.

Capital expenditures, the backbone of business, constitute the final link in the savings-investing process. For the calendar year 1948 they will total \$18,700,000,000, 15 per cent higher than in 1947 and more than double the boom year of 1929. Three industry groups, utilities, railroads and petroleum, will spend 30 per cent more than in 1947. Manufacturing equipment is up four per cent. The rate of use points to a heavy future replacement demand.

Unscientific and inequitable state and municipal tax systems are exerting adverse economic effects on local business activity and investment.

Federal Reserve survey shows that, whereas in 1946 people with incomes up to \$3,000 went in debt to buy equipment, in 1947 people with incomes up to \$5,000 followed suit. Apparently the country is in for bigger and better debts.

Like Old Man River, Eccles of the Federal Reserve "don't say nothing, he just keeps rollin', he keeps on rollin' along." In effect, however, this is what he told the President: "Since you have such a hard time living up to your promise to appoint me vice chairman, I relieve you of the promise. But if you think that this will make me get out, you are mistaken. I shall stick as an ordinary member. My term expires in 1958."

Meat supplies available for domestic use during the fourth quarter of 1948 will be 15 per cent less than during the corresponding quarter of 1947. Additional cattle receipts from Canada do not affect the percentage greatly as more than 13,000,000 cattle are slaughtered annually in the United States.

Third-round wage increases are augmenting the buying power of all employed workers. This is being supplemented by a large volume of liquid assets and by the use of credit to put new pressures on consumer goods.

As more and more owners of timber become aware of the value of good management and the extent of assistance that can be called upon, technical aid can be expanded without increasing personnel. Foresters and county agents now expend much time and energy in explaining the need of employing improved methods.

## TRENDS



OF NATION'S BUSINESS



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### LOCATION

#### EASTERN STATES

LOCATION	SQUARE FEET	PLANCOR NUMBER
New Castle, Delaware	5,000	628
Belle Meade, Virginia	1,000	1,465
Farmingdale, L. I., New York	33,488	WD-387
Hoboken, New Jersey	86,800	Nord 1,023
Worcester, Massachusetts	52,000	NOd 1,765
Providence, Rhode Island	835,770	MC-10,849

#### MIDWEST OR SOUTH

LOCATION	SQUARE FEET	PLANCOR NUMBER
Painesville, Ohio	7,800	1,716
Humboldt, Iowa	31,000	1,531-10
Clinton, Iowa	9,800	2,060
Detroit, Michigan	32,400	4
Greenbrier, Kentucky	7,075	1,902
Bay City, Michigan	105,000	988
Henryetta, Oklahoma	55,000	1,023
Cleveland, Ohio	54,600	1,073
East St. Louis, Illinois	120,290	1,073
Toledo, Ohio	350,000	WD-335
Platteville, Wisconsin	6,700	1,906

#### WEST COAST

LOCATION	SQUARE FEET	PLANCOR NUMBER
Seattle, Washington	51,700	NOd 1,992
Portland, Oregon	30,200	1,812
Renton, Washington	140,000	303
Newark, California	20,000	1,295
Torrance, California	918,000	226
Seattle, Washington	416,000	WD-1,024
Downey, California	608,800	WD-695



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# Washington Scenes

**T**HEY'VE been saying here for the past several months that President Truman is beaten and doesn't know it.

One part of that statement probably is true; the other part certainly is. All of the usually accepted signs—polls, forecasts by trained analysts, the 1946 election—have pointed to a Republican victory in November. But Mr. Truman refuses to believe it.

"There's going to be a Democrat in the White House for the next four years, and you're looking at him," he told a gathering of Young Democrats at the Hotel Mayflower last spring.

## Vigorous Campaign in Sight

Was this bluster, the customary whistling in the dark expected of a beaten candidate? The answer might be yes except for one thing: The President has talked the same way in private conversation.

Those who have heard him have been impressed even when they have not been persuaded by his argument.

At any rate, Mr. Truman is prepared to wage a terrific battle to hold on to the Presidency. Unless some great emergency arises to keep him in Washington, he plans to crisscross the United States between now and election day, seeking to rally the people to his standard.

• • •

Gov. Thomas E. Dewey also may be expected to conduct a spirited campaign. There are those who think the 1948 Republican nominee could win, as McKinley and Harding did, simply by campaigning from his front porch. However, it would be surprising if Dewey agreed to any such passive role.

Dewey is the kind of politician who believes in "running scared," no matter how bright the prospects of victory.

As a political reporter, I have campaigned both with Mr. Truman and Governor Dewey. They have some characteristics in common, but not many. Both love politics, both are scrappers, and both are able to give it and take it. It also happens that they like music. As is well known, the President is a piano player and the Governor a singer.

But the amazing thing is that two politicians starting out from the same general part of the country—the Midwestern Corn Belt—could be so utterly different.

Mr. Truman is much more the "typical" Ameri-

## TRENDS



### OF NATION'S BUSINESS

can, if you accept as typical one who is identified with a small town in the heart of the continent. I never realized this so much as on the President's barnstorming trip to the West Coast in June.

He would be out on the rear platform of his private car, the Ferdinand Magellan, making impromptu talks to the crowds in Fort Wayne, Ind., Grand Island, Neb., Pocatello, Idaho, or Eugene, Ore., and always the same thought would occur to me: How much this man from Independence, Mo., resembled other men of his age standing there along the railroad tracks, looking up at him.

Governor Dewey is not typical; he is Big Town. His clothes, his cigarette holder, his lightning-fast mind, the superb organization he has built up—all bespeak sophistication and modernity. There's not much of Owosso, Mich., left in Dewey, although he really does know his crops and his hogs and his dairy cattle.

The crowds find it much easier to yell "Hi, Harry" than they do "Hi, Tom."

The singer, of course, has it all over the pianist when it comes to oratory. Governor Dewey's trained voice is just about the best in American politics today. In the big speeches, the kind that are customarily delivered from a manuscript, he will have a tremendous advantage over Mr. Truman.

When it comes to off-the-cuff oratory, however, Mr. Truman probably will hold his own. It may even be that he will outshine the New Yorker. One reason that the President stumbles so much in reading a speech is that his eyesight is not good; and when the sun is beating down on his spectacles or photographers' flash bulbs are exploding, he is under a severe handicap. Freed of the necessity of reading, however, he does surprisingly well.

• • •

It is hard to imagine Governor Dewey making a speech that has not been carefully thought out in advance.

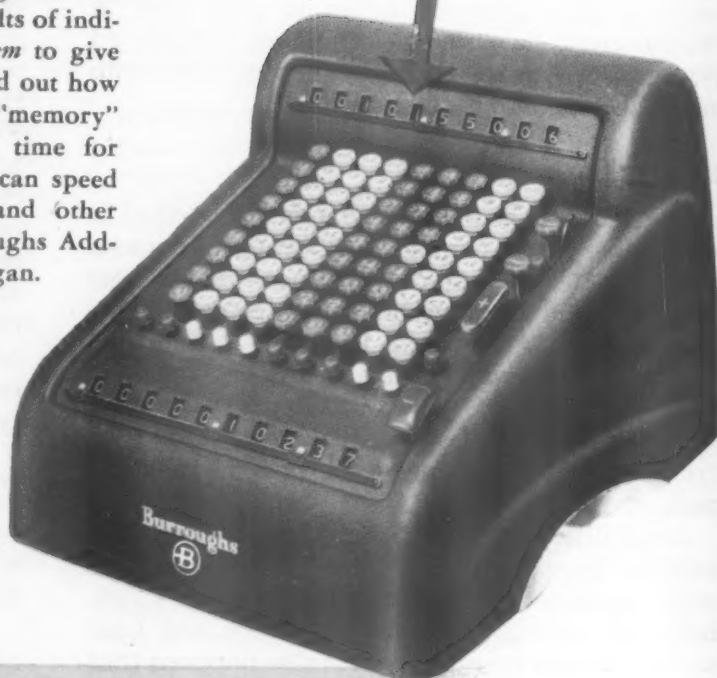
Actually, Mr. Truman thinks his out, too, and often his remarks are the subject of a staff conference.

But you never really know. On the western trip, during a stop at Eugene, Ore., most of the reporters were in the dining car having dinner. That was a mistake, because it was here that Mr. Truman hauled off with his startling remark about Premier Stalin. ("I like old Joe. He

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is a decent fellow. But Joe is a prisoner of the Politburo.")

Both nominees have had to take a lot of abuse, from within their parties as well as from without.

Mr. Truman has been called a confused blunderer, a Pendergast protégé, a political accident who is "not big enough for the job."

Governor Dewey has been called "the little man on the wedding cake," and one political foe has said that you really have to know him to dislike him. Also, he has been called a "Me too" politician, one who takes a stand only after more courageous men have acted and the Gallup Poll has been heard from.

Common sense, of course, suggests that the two men are neither as good as their idolators say nor as bad as their detractors would make them out to be. In any case, each was the popular choice of his party. And one of them is going to be the head man of this greatest and most powerful of countries for the next four years.

Mr. Truman frankly admits that he is not big enough for the Presidency; but he adds this: that no man this side of heaven is big enough. He doesn't even think he's the ablest man in his own Administration; he thinks that Secretary of State George C. Marshall is.

And what does Secretary Marshall think of Mr. Truman? The soldier-statesman was once asked about this. After a moment of reflection, he said that Mr. Truman was an unusual blend of "humility and boldness," and was completely dedicated to his job as President.

The finest tribute ever paid to Governor Dewey came to him when he was chosen as the Republican standard bearer for a second time. Never before had the G.O.P. given the nomination to a man who had been defeated for the Presidency four years before. Obviously, the 46 year old New Yorker must be put down as an extraordinary fellow.

The delegates at Philadelphia picked him because they thought he would make the best candidate and the best President. They thought he had something to offer which the American people wanted—competence and efficiency in government, as exemplified by his record at Albany.

Governor Dewey, as he goes into the campaign, has a number of reasons for believing that he will be the next President. He has a good running mate, Gov. Earl Warren of California, who ought to help the ticket a lot west of the Rockies. He has the benefit of a Republican trend that has been under way now since 1938. This year the "time for a change" argument will not have to

compete so much with fear of a change, as it did in the critical war year, 1944. And, finally, there is the widespread belief that Mr. Truman is not the man for the Presidency and the further belief that the Democratic party is too feud-ridden to do a good job of government.



What of Mr. Truman and his stubborn belief that he may yet triumph? What is the basis for his optimism?

Prosperity is part of the answer. Up at the Democratic National Committee headquarters, they tell you that no President has ever been turned out of the White House against his will when times were good. Mr. Truman, on his western trip, never passed up a chance to tell his audiences that "some 61,000,000 people are at work and the national income has been running over \$200,000,000,000." High prices is another reason for Mr. Truman's expressed optimism. He thinks—or, at least, hopes—that he can hang the blame for this on the Republican-dominated Eightieth Congress—the "worst" Congress since Reconstruction days, as he put it.

Mr. Truman had an interesting theory in the preconvention period. He believed that he was under the handicap of running against the "perfect candidate." In other words, since his Republican opponent had not been chosen, he felt that he was being compared with a sort of G.O.P. ideal, one having all the best qualities of Dewey, Taft, Stassen and Vandenberg, and having none of their faults. The President reasons that he will fare better in the estimation of the voters from here on out, because they will have to compare him with one mortal man, Governor Dewey.

There is still one other idea in Mr. Truman's mind. He is convinced that this is predominantly a Democratic country, but that the voters just haven't been showing up at the polls. He said as much in Spokane, Wash., in one of the most remarkable statements ever to come from a presidential candidate. After excoriating the record of the Eightieth Congress, he rebuked the crowd in these words:

"That is partly your fault! In the election of 1946 you believed all the lies that were published about your President. And two thirds of you didn't even go out and vote. Look what the other third gave you! You deserved it."

—EDWARD T. FOLLIARD



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KEYSTONE PICTURES

Czech workers have watched their freedom ebb under the new regime

# Power is Labor's Dilemma

By LEOPOLD SCHWARZSCHILD

**W**HEN THE COUP D'ETAT in Czechoslovakia entered its crucial stage, the democrats of that country were suddenly unable to use their newspapers or the radio. From one hour to another, in every corner of the territory, they were deprived of the means of informing and alerting their public.

This disarming of the democrats was not achieved by violence, riots or the destruction of machines. The high command of the labor unions did the job in a calm and neat fashion.

The printers' union was ordered to halt work at once in a number of newspaper plants. The radio workers' union was ordered to handle, until further notice, only copy countersigned by a specially appointed union delegate. And, although the Communists were only a minority in the membership of each union, the rank and file

**STRENGTH, however beneficent it may have been originally, inevitably invites its own destruction when it becomes the dominant force**

obeyed the orders from headquarters like a disciplined military outfit. The effect was a virtual paralysis of the nation during the two days that determined its fate.

This spectacle provided a drastic demonstration of the power inherent in trade unions that have reached the peak of their potential development. It invites reflection in all other countries including the United States.

Although it is true that the unions in America greatly differ from those in Europe, the differences are not basic. Our unions simply began many decades later. Therefore, they have not yet

reached the peak of their potential development—but they are unmistakably moving toward it with giant strides. Today they have approximately the same characteristics that their European counterparts had 50 or 60 years ago. In the next ten to 20 years, in all human probability, approximately the same features will mature in them as they have in their older counterparts today. Those who feel that the power of the unions in this country is a disturbing problem even today, should not fail to consider the European version of the problem and its lessons.

The position of power to which



**The Reds in Britain deplore the sapping of union authority**

APR 1948

**In France the Communists inspire more than mere oratory**

KEYSTONE PICTURES



the unions rose in the European democracies during the past decades is vividly reminiscent of certain prototypes whose reputation in history is far from good. Quite unemotionally defined, they have become something like the private armies that dukes and princes maintained in many ancient empires and kingdoms.

### Like private armies

TO a certain extent, this analogy is even true of the American unions. All unions in democratic countries have certain elementary similarities to private armies. All of them employ a weapon—the strike—that can be more compelling and more difficult to ward off than any weapon that a private army ever had. All of them are standing formations, ever ready for action. And all of them exist admittedly to use their power, not for general purposes, but exclusively in the service of the particular interests of one single sector of the nation; if necessary, at the expense of all opposing interests.

At this point, however, the similarities end and the differences begin. What makes the European unions so much more like the old private armies than the present-day American unions is, in the main, their greater numbers, tighter organization and different spirit.

Regarding numbers, the percentage of unionized workers and employees is far higher across the Atlantic than here. In Europe, practically all workers have been enrolled. The 15,500,000 members of the American unions constitute less than 11 per cent of the total population. The membership of the British unions amounts to nearly 20 per cent, of the French to about 17 per cent. However, the trend in this country is clear: the unions will continue to grow.

Regarding organization, the structure of the European unions, except for some splinter groups, has become completely monolithic. For all practical purposes, there exists in every European country today only one single all-embracing union. The organizations in the various trades still have different names but, above them, there is a unified national top authority which makes all decisions of broader import and, in effect, directs all activities. Under such circumstances—to mention this one factor alone—the terrific thing called "general strike" has become a reality more than once in the



European democracies, while in this country it has so far remained only an expression in the dictionary.

Finally, regarding the spirit, the unions in all European democracies are avowedly socialistic. For all practical purposes they are intimate and permanent associates of either the milder or wilder socialist parties of their respective countries. This has far-reaching emotional and intellectual effects. When an American union engages in a struggle, its members, as a rule, know that the issue involves some very concrete advantages for themselves—a few dollars more, a few working hours less. But, in an analogous situation, the European workers for the most part imagine that once more they are giving battle to the devil "capitalism," and consider themselves selfless knights engaged in a crusade for the redemption of mankind.

This religious note in all labor matters strengthens the power of the European unions to an extraordinary degree. It makes a breach of discipline on the part of the rank and file almost inconceivable, because anything of that sort is heresy and condemns the dissenter to a moral stake, as it were. It was an extraordinary event when recently a faction of the French "General Confederation of Labor"—unable, of course, to achieve anything against its communist leadership from within—officially left it and founded a counter-union—and only a minority of the membership could be induced to participate in this frightening apostasy.

### Fighting for ideology

BUT, even in matters of the spirit, the American unions are beginning to show an unmistakable trend in the European direction. Even though for the time being they are still banded together mainly by the cement of economic interest, traces of a more exalted ideology—which, materialists notwithstanding, is a much stronger cement—are beginning to appear here, too. Close observers are convinced that the germs of a crusading attitude against the free enterprise system are already present, and will break out at a difficult moment. There is, for instance, the stubborn idea that high wages—so-called "purchasing power"—are a means of conjuring the curse of depressions. This idea, a kind of *ersatz* socialism, can easily become the vehicle that will carry

(Continued on page 69)



INTERNATIONAL NEWS PHOTO

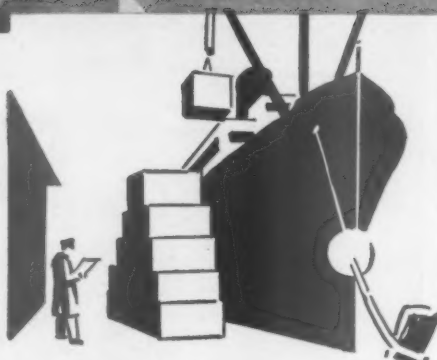
France now uses her courts to handle some of the strikers

... Italy finds her military police effective in union disputes

INTERNATIONAL NEWS PHOTO



**A UNION of European States has been a dream since Caesar's time, but none has ever managed to make it come true. A fresh start is underway that may break the jinx**



### **TARIFF UNION**

Uniform duties for imports loom as the easiest of the multitude of early problems



### **CUSTOMS UNION**

Restrictions on the exchange of people and their products would have to be eliminated despite anticipated opposition

# Is a U. S. of Europe P

**L**IKE eager club members clustered around the scattered pieces of a jigsaw puzzle, some of the best brains of the world are trying to fit together a United States of Europe. It is the prize puzzle of this postwar age. The experts—and that includes anyone who wants to make a try—are hopeful but, for the moment, stumped.

The solution means much to the United States, to its national policies, its business men, workers, housewives and taxpayers and to the youth who must shoulder the burdens in future years.

A united Europe makes a beautiful picture—old animosities forgotten, no more boundaries for trade and travel, an ordered economy in which each country's resources and production will complement that of the others and a better and happier life for all who live within its borders.

The idea is not new but the picture never has been finished. Its colors, faded through the ages, are now being retouched. Caesar had the vision 2,000 years ago but all Gaul still was divided into

three parts when the Roman Empire fell. Charlemagne and Napoleon made other starts. Hitler had the same plan but even Germany, the centerpiece of his dream of empire, was shattered in the crash. Stalin picked up the pieces in eastern Europe and now the surviving nations of the West are deciding how much unity is necessary for their strength and survival.

Fear or danger from without always has been a strong incentive for alliances between nations. In the past they have broken apart after the emergency passed but the advocates of this union hope that it will mature and survive in times of peace. Ostensibly it will be for peace alone, though its military possibilities are not forgotten in an age where so much is decided by force.

According to the plans, it will resemble those of the past—whether they were called alliance, federation or empire—only in form. A different cement is specified on the drawing boards to hold its pieces together. Instead of being united by force





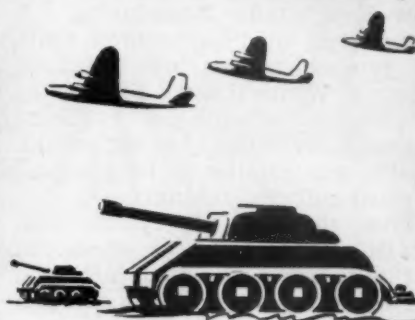
## ECONOMIC UNION

Standard currency or a set rate of exchange would be necessary along with a code for general business practice



## POLITICAL UNION

While a member of the union each State would continue to retain its own nationality and its original responsibilities



## MILITARY UNION

While the union is set up for peace alone, the planners are not ignoring the military side

# Practical? By JUNIUS B. WOOD

with a stronger power, or powers, dominating, it will be a voluntary union. As now planned, it will resemble a partnership in which each partner gives up a little and gains more and with all being stronger from the unity.

That is a brief prospectus of the United States of Europe as sketched by its busy artists. Spectators in other countries hope the beautiful picture will materialize. Anything that brings peace, prosperity and happiness to a distracted world will bring admiring "Oh's" and "Ah's." But no picture can please everybody.

This one certainly won't.

The artists already differ on how it should be colored. That is not surprising with enthusiasts from 20 or 30 nations, most of them with internal differences, arguing over the future masterpiece.

The first big meeting of some 700 supporters of the proposed United States of Europe was held in The Hague, Netherlands, last May. It is still too early to decide whether that imposing congress

brought reality closer or highlighted irreconcilable differences. Delegates from practically every country in Europe along with observers from the United States and other parts of the world represented organizations and political parties but not governments.

Famous names of Europe, present and former high officials of existing and exile governments, 64 members of the British Parliament alone, leaders of labor organizations, editors, lawyers, economists and scholars spoke. But none spoke for a government. Discussions were spirited, often acrimonious, a sounding board of Europe's tangled politics and prejudices. Committees argued until dawn and the ballots of plenary sessions—60 hours in four days—did not change deep-seated convictions.

R. W. C. Mackay, speaking for British Labor, obtained approval of a motion that a parliament or legislative body of each country select representatives for another conference. Such official action, if taken, will bring in governments and indicate

what nations are willing at least to discuss a United States of Europe.

A resolution was passed welcoming delegates from Romania, Czechoslovakia, Poland, Yugoslavia and Hungary though they may be refugees from their Moscow-dominated homelands. A companion decision denied seats to representatives of Bulgaria, Albania, White Russia, Ukraine or totalitarian or one-party states. Salvador Madariaga, an exile from Spain, was chairman of the important cultural committee.

The shadow of communism which menaced the congress did not unite those who want a Europe of free enterprise and free capitalism with others who want a socialist Europe. A federated Europe has been a long-time objective of the Socialist party which accuses Winston Churchill, honorary president and outstanding figure of the congress, of stealing its thunder.

While the congress was in session, Prime Minister Atlee in London announced the British Labor Government's opposition to the proposed constituent assembly. A week later, the British Labor party met to approve the idea of a federated Europe but denounced the proposed United States of Europe and demanded a United Socialist State of Europe. These pronounced differences in political doctrines within a country increase the difficulty of reconciling the age-old sentimental, racial and cultural prejudices between the countries themselves.

"It is the urgent duty of the nations of Europe to create a political and economic union," was one of the few resolutions passed unanimously. Each nation is called upon to transfer and merge part of its sovereignty into the new union. A political union in some form is essential to any effective economic union and a military union is the next step.

More tangible, however, than the differences of temperament and inbred rivalries are the economic, industrial and social changes which a union will impose on every country. Let's examine them. They must come in successive steps—tariff union, customs union, economic union, political union and military union before a United States of Europe will appear.

The big issues which will be faced, each with countless minor issues on which agreement also must be reached between the countries, can be sketched briefly:

**1. Tariffs.** The union will impose uniform duties for imports and possibly exports. That means a new schedule changing the old nomenclature, specific and *ad valorem* appraisals; reducing the existing rates of some countries and increasing those of others. It means arguments on every item. The union will issue export and import licenses, fix port dues and procedures. Customs collections will be made at ports of entry and agreement must be reached whether they will be divided according to shipping destination or on a population basis.

**2. Customs frontiers.** Those between the countries in the union will be abolished. When accomplished, this means a free interchange of people and products. The shock to a country's commercial structure will be severe. Its industry, labor and business must be considered to protect the needs

culating medium in all countries or a stabilized rate of exchange between their currencies. Actually it must go much farther to cover government and bank loans, rates of interest and the entire financial structure of each nation.

**4. Free circulation of citizens.** This may mean replacing the present national passports or cards of identity with a union document. Though a citizen of the union, each individual would continue a national of his own country. More is involved than changing the printing on a piece of paper. Each nation would have responsibility for and authority over its own nationals, also to decide what other nationals may enter its territory. Much must be settled before frontiers become as nonexistent in practice as they appear to be in theory.

**5. Employment.** The problem of equalizing working conditions in all countries of a union is added to the normal differences between industry and labor. Migration will be controlled until local resentment against outsiders, living costs, labor markets, wages, hours of work, housing, accident insurance, social security and many other inequalities between countries is smoothed over.

**6. Balanced production.** As a first step toward equalized economy, agriculture and sources of raw materials will be regulated to provide the most equitable and economical distribution over the union. Natural resources will be exploited for the best interests of the union, forcing radical changes in the basic economy of every country.

**7. Industry control.** Factory production will be geared to meet local and export demands, bringing strict supervision to prevent overproduction in some lines and underproduction in others. It is a concern of workers as well as of employers. The union will plan a balanced economy—technical, economic and social—with consideration for export possibilities, national and local demands and labor supply. Hitler attempted that in Nazi-occupied countries but this relocation of in-

(Continued on page 56)



Halts at borders long have plagued economic relations on the continent

and rights of each group. Some will demand quotas and similar controls. Others will oppose them.

**3. An integrated fiscal policy.** Primarily this means either issuing a union currency as the cir-





# Portrait of a Happy Man

By EDWARD B. LOCKETT

IN THE summer of 1907 the Johnson City, Tenn., professional baseball team whipped its bitter rival, Bristol, when a stocky, towheaded rookie outfielder not long off the Maryville College team hit a three bagger to break a tenth inning tie. The hit astonished spectators and players because the same rookie, at an earlier time at bat, had got his head in the way of a fast ball that had knocked him silly. He had rejected urgings to leave the game.

After the baseball season the rookie, whose home was on a farm at Swannanoa, outside Asheville, N.C., took a job teaching school in Hopkinsville, Ky. His specialty was history, but schoolmasters couldn't be choosy, and teaching English grammar also became part of his job. The new teacher didn't like the spelling book used in Hopkinsville classrooms, so promptly wrote a new one. Other Kentucky schools acquired copies and used them for years. By 1913, the ex-ballplayer was superintendent of schools for Christian County, in which Hopkinsville was located, after a stop for a time at McLean (now South Kentucky) College, where he taught history. His name was Lloyd Elmore Foster. He got his middle name from the pastor of the Swannanoa Presbyterian Church, whom his parents liked.

Lloyd Foster—nobody ever called him Elmore—wasn't altogether content as a schoolteacher. He felt that something was missing. But he stayed on, through 1919, when Hopkinsville offered him the job of managing its Chamber of Commerce. He accepted, and from the instant he began work was a happier man—he felt he had found his calling.

Subsequent movements of the erstwhile schoolteacher appear curiously like those of the midget cyclones seen so often scurrying over the central Mississippi Valley. Wherever he moved, there was always hustling activity. Unlike the Lilliputian tornadoes, Foster always carried good fortune.

Between 1920 and 1923 under Foster management, Hopkinsville became the biggest market for dark fired tobacco in the world. In 1923, he moved on to the Chamber of Commerce at Jackson, Miss., a city of 22,000 population. He stayed eight years.

**BIRMINGHAM'S** Lloyd Foster has been a hit since he played pro ball for a Tennessee team back in 1907. He's still in there swinging after years as a Chamber executive

The city acquired a skyline: eight tall, new buildings. Jackson's population nearly trebled itself. When the manager of the Chamber in Birmingham, Ala., left his post in 1931, Foster sought the job.

Darius Thomas, a coal operator, was president of the Birmingham Chamber. More than 100 applications for the managership showered his desk. Twelve applicants were invited to come for interviews. About midway in the list came Lloyd Foster, to face a committee more interested in plans for the future than in any job seeker's triumphs of the past. The stocky, cheery man from Jackson promptly presented every member with a bound brochure entitled "I Was Just Thinking About Birmingham."

In this was a complete Birmingham Chamber of Commerce program, from organization chart to detailed specifications for carrying out the ten points it embodied. Foster got the job. He is still there.

The Chamber had 657 members when Foster took over. Its annual budget was only \$28,000, although Birmingham had a metropolitan population of 382,792. Early in the 1948 membership drive, the Chamber had 2,433 members, with minimum dues at \$50 a year, one wealthy member contributing a steady annual \$10,000, and many others bettering the minimum. Members consider this a bargain. They believe in the Foster slogan: "Men build Chambers of Commerce; Chambers of Commerce build cities."

The budget now is \$120,000 a year and headed higher. Retail sales in Birmingham in 1947 were

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above \$421,000,000; the gross wholesale volume topped \$500,000,000. A building and industrial expansion backlog of more than \$300,000,000 is ready and waiting for materials. In 1947 the Chamber brought 98 conventions to town; the seventy odd thousand delegates spent more than \$2,000,000. A Junior Chamber is training young men for heavier work in the future. Much of this skyrocketing progress may be attributed to Foster, now executive vice-president as well as manager of the Chamber.

The record shows only one complete failure—Foster's short and unhappy career as a pianist. When he was courting Miss Minnie Louella McGinley, who taught music and voice at McLean College, she decided her beau must learn to play, particularly since he had a good, strong baritone voice. One day when classes were over, she pinned Foster down at the college's only piano, and began to identify notes on the keyboard. Midway during the lesson, she was called away. When she returned, Foster had carefully written the proper letter for each note on the white ivory keys—using indelible ink! They had to sandpaper it off. Teacher married pupil, but the piano-playing ended.

Today, Foster is 65 years old. He stands five feet, nine inches tall, and weighs a comfortable 210 pounds. His Scotch-Irish farmer parents were poor; he says he never got enough to eat until he was 12, and is still making up for it. A heavy, curly shock of white hair thatches his head, and deep laughter lines spiderweb out from his gray-green, bespectacled eyes. His office manager, Miss Blanche Houseman, who has been with the Chamber some 20 years, says, "Mr. Foster is much handsomer than he used to be."

One day Miss Minnie, which is what practically



LOLLAR'S

**COMPETITIVE** activity under Foster makes it easy to understand why his adopted city is forging ahead. At 65, he drives his staff at a fast pace

everybody calls tiny, pert Mrs. Foster, asked Ervin Jackson, former Birmingham Chamber president, if he didn't think her husband was old enough to retire. Certainly not, exclaimed Jackson: Lloyd's ideas and energies were still younger than those of some of the World War II veterans on his staff.

He delivered 15 out-of-town speeches last year, not to mention scores of talks to local gatherings and additional dozens to Chamber committees. At night, he carries home material for speeches, takes off his coat and tie—"We live sort of easy"—and goes to work with pencil and paper with a home-made lap board spread across the arms of his easy chair.

### Likes to build things

"HOME-MADE" is really no proper word for the board. His first learning was acquired in an industrial school near Asheville, where professional carpentry was part of the course. This training came in handy later. Few Chambers of Commerce make provision for employee retirement. In 1940, Foster withdrew the money he had saved from none-too-high salaries, called on his banker, then bought for a song the outmoded but magnificent mansion of a deceased coal baron. Doing much of the carpentry work himself, he turned the estate into a 15 unit apartment house. He and Miss Minnie occupy the biggest unit, and rent the other 14.

"That's my social security," he explains. One summer, just for fun, he used his vacation to build porch furniture for the Auburn College fraternity house of his son, Lloyd Elmore Foster, Jr.

When the Birmingham Chamber hired Foster, the city got a man good at his work, who performed it with evident delight. He loves people, likes to plan things. His spirit is as competitive today as it was back some 40 years ago when he was playing for Maryville College. He still talks in the idiom of competitive sports.

"This team you're on is in a pretty fast league," he reminds staff members at the weekly Monday conferences. "We've got to make as many good plays and as few errors as possible."

The Foster energy pays off. Years ago, he requested local banks to give consideration to making small loans to salaried people to be paid back on the monthly payment plan. The banks were leery at first, but finally agreed. Small loans now constitute a big chunk of the banking business in Birmingham. Business men come to Foster for advice on everything. A creditor telephoned to tell him he was ready to sue a laggard debtor. Would he get his money?

"Let me make a try at it first," advised the sage Chamber manager. "If you sue you won't get anything, in my opinion. I may get a little for you."

Competitive operations under Foster make it easy to see why Birmingham is realizing its dream of becoming a center for manufactured goods as well as raw materials like coal, iron and steel. Last summer an American Rock Wool Company officer inquired whether slag would be available in Birmingham for a projected mineral wool factory in another city. Foster's answer was a question: Why ship heavy slag? Why not locate in Birmingham? There was mention of distribution problems, and a plant. Easy to arrange, assured Foster.

A big wartime detinning plant lay just outside the city. The county school board had just bid for its purchase as a garage and equipment warehouse.

(Continued on page 74)

# Heigh-ho, Come to th

By BEN JAMES



**D**RUMS ROLL. The crowds in the newly painted grandstands are tense. A huge silver ball rushes down a breath-taking incline. A moment later, at the end of its course, the ball is opened. A shape-ly little figure, without much on, emerges. "The Girl from Avalon" has deliberately defied death and, as promised, looped-the-loop in a ball.

A bugle blares. In a cloud of dust trotting horses thunder round the race track. Fat hogs in clean pens are poked by the canes of judges, who will give the accolade of a ribbon and a substantial purse to the owner of the winning sow and boar. Livestock is in competition on every score from speed to weight.

The midway is a raucous symphony of barkers' cries inviting the

crowds to a sure-win whirl on a wheel of fortune or to view with their own eyes the fiercest beasts of the jungle plunge through hoops of flame. The ferris wheel squeaks. The merry-go-round organ grinds out "I Wonder Who's Kissing Her Now." Midway is in full blast.

The noise of the amusements echoes through spotless pavilions where glasses of jelly and jars of preserves, cakes and pies and canned vegetables, glisten on tables. Here the skills of housewives are in competition for prizes that will mark the winners as homemakers of distinction.

With an eye out for the best buy, men and women move alertly through the chaste exhibit halls, appraising the displays of industrial products. They look over everything from threshing machines

and automobiles to can openers and breakfast food and talk about what they see.

Yes, the county fair is on.

It is on in the pattern of its ancient forerunners. It is a trading center bringing buyer and seller together. It is a meeting place for producers to put their products in competition, and to exchange ideas and learn from each other how to do better their jobs. And it is a holiday with fun for all. Through the ages the charters of fairs have stated their purposes in just about the same words: "To foster trade, culture and entertainment."

The success of the county fair in its ageless general pattern is something of a phenomenon. Radio, television, motion pictures and the automobile have played havoc with many old-time media of trade

## Skills of housewives are in competition for prizes that mark the champion homemakers





# to the Fair



and forms of education and amusement. But the sturdy fair goes lustily on. In fact, it becomes a desired market place for the very innovations that have wrecked its less stalwart competitors.

Let's look over the virile heritage of county fairs before we consider their amazing financial achievements since the war. This year, between harvest time and fall work, millions of American farm and town families will head their cars toward the county seat and every one of them will click through the turnstiles of their fair. All will be there for the same reason that their ancestors have walked to fairs through the centuries.

The fairs of England and continental Europe that bred our county fairs in their present form are estimated by various historians to be from 800 to 2,500 years old. Some researchers say that they existed in pagan times before the Romans came into Europe and the British Isles.

Our fairs came into being when buyers and sellers had considerable trouble getting together. Medieval roads were not so good and itinerant merchants took their chances moving from village to village offering their wares to each separate household. Peasants and craftsmen who produced a bit more than they needed to supply themselves, their neighbors and pay their tithes and taxes, also had something to sell, but had no way of getting a buyer.

Any occasion which brought people together offered a lush opportunity for trade, the exchange of ideas and a bit of celebration. Festival days of the churches always assembled the community. There were masses, morality plays, troubadours—a genuine occasion for everyone to come to town. The medieval church encouraged fairs as do county and state governments, chambers of commerce, and public-spirited citizens today. The church recognized that it and the traders had a mutual stake in the



WALT SANDERS FROM BLACK STAR

**Barkers' cries make a raucous symphony on the midway**

**Livestock is judged on every score from speed to weight**

BLACK STAR





BLACK STAR

Attractions of all kinds will appeal to the youngsters.

### Throughout rural America, the fair season is fowl season



gathering. Many who came to attend church remained to trade and many who came to trade went to church.

The early monarchs of Merrie England were not long in declaring themselves in on the fair act. They encouraged fairs for the people and helped out a relative or two on the side. William I authorized the fair at St. Guild's Hill near Winchester and granted his cousin, the Bishop of Winchester, the right to collect tolls from merchants and entertainers. The fair was limited to one day.

William II quickly got the idea and boosted the fair to three days. Henry I, no man to overlook a good thing, allowed it for eight days. Henry II doubled and established the institution on a 16 day basis. Like our present-day fairs, there was trade and entertainment. A chronicler of the time reported: "They declared that a little boy will stand on his head on a rope. And the little boy did accordingly."

### Centers for trading

SO were fairs established as seasonal trading centers existing outside the regular channels of local trade. Local merchants gave their support to the fair. They did it because the itinerant vendors who offered their wares at the fair could supply only a few of those who wanted to buy. Because the fair lasted only a few days, the local merchants knew that, throughout the year, they would be called upon for the goods that were displayed at the fair. The merchants also made contact with those who would perhaps supply them with commodities.

So, the pattern of today's county fair with its industrial exhibits became established.

And their majesties then, as state and county and federal governments do today, recognized the worthiness of fairs, and granted favors. King John helped out his subjects by supplying a weigher to show both buyer and seller "that the beam on the scales was fair and that there should be only one weight and measure." Another royal government concession designed to insure as large an attendance as possible at the fairs, came in the form of immunity from arrest granted to all who attended. Those who came with guilty consciences were assured that the law's retribution would not catch up with them at the fair.

They were assured by the cry "the glove is up." And sure enough, it was. A gilded glove atop a high

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# The Bald Head is Here to Stay

By NORMAN KUHNE



A shiny future and a shiny scalp are in store for man

IN A THOUSAND years or so—a mere interval as historians reckon things—males will look back on their predecessors of the present day as primitives, unfortunate enough to have had hair on their heads. By then, time will have achieved a tonsorial triumph and the era of the bald-headed man, now burgeoning, will be in full flower.

For the past several thousand years the bald-headed man has held the somewhat unenviable position of the pioneer waiting for his less-advanced brethren to catch up. Like Galileo, he has had to pay the price for being ahead of his day and has been burned at the stake of satire, and flogged with the whip of wit. Now, thanks to modern medical research, the male with the clean-swept cranium is beginning to get his due recognition as the man of tomorrow.

Although the medics admit that a lot of mystery still surrounds the subject, their most recent conclusions can't help but reassure the bald individual that he's a very lucky man indeed—a forerunner of a super race, as it were, smarter and more manly. The hirsute male, by comparison, will see himself as

a millstone on the process of evolution—not really as far ahead of the Neanderthal man as he thought.

It's uncertain how far back in antiquity the primordial baldpate appeared on the scene. Perhaps the first written reference to baldness is in the Old Testament, Book of Leviticus, Chapter 13. Although uncommon among the ancients, its incidence is on the increase and today the best available estimates show more than 10,000,000 bald-headed men in the United States alone. The theories and superstitions about the condition, its causes, prevention and cure are almost as numerous.

Much of the rich folklore of baldness still has a wide popular acceptance. This accounts for some of the strange things men have done in an effort to stave off that billiard ball look.

Alarmed by the fact that their hair is departing, some men who have worn hats all their lives will begin going bare-headed in the belief that the sun, the wind and rain will stimulate the growth of their hair just as they

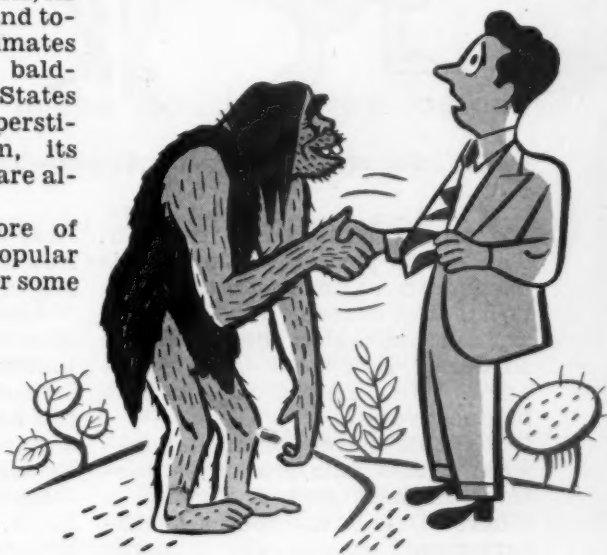
SCIENCE OFFERS evidence that the man with the clean-swept noggin is smarter and more virile than his fellow with the heavy head of hair

stimulate the growth of grass on a lawn.

Others take the opposite view. If they have been going hatless they will begin going covered in the belief that the elements have been weathering away their hair and that protection against them is the answer.

It's notable, however, that some disciples of the hatless school buy hats at about 45 to conceal bald spots which somehow developed. And some of the adherents of the opposing faith—those who hold that a hat will save hair—disprove their theory when they uncover. One can only conclude that the sole connection between hats and hair is their frequent physical contact.

Some men have sought to head off baldness or restore hair by changing diet. Meat eaters have become vegetarians and vegetarians have taken to meat. Drinkers have gone on the wagon and tee-



Hair is one of the useless links of man to his primitive ancestors

totalers have started to imbibe. Fat men have dieted and thin men have put on weight. Yet, none of these things has had any noticeable effect.

One popular notion is that the inclusion of carrots in the diet is insurance against baldness. While this idea may have enlarged the market for carrot growers, it hasn't put hair back on heads.

To be sure, some types of baldness can be prevented and others cured—all except the type which is most common and which accounts for the bulk of the bald pates. Sometimes the condition accompanies a disease and will clear up when the particular disease is arrested. In a few instances it is caused by a scalp ailment that will respond to medical treatment. Such cases are rare.

The mechanics of baldness are easy to explain. Human hair grows out of cells or follicles spread over the scalp. There are between 500 and 1,000 of these follicles to the square inch, depending on the

is a definite relationship between virility and baldness. The same chemical processes, induced by various glands, that make a man sexually prolific, cause him to lose his hair.

To support their conclusions, advocates of this theory cite a variety of evidence. They contend that baldness is a masculine characteristic and point out that few women ever become bald. Those who do frequently have had other masculine traits.

The late Dr. Robert Sabouraud, noted French dermatologist, did much of the research linking baldness with sex. He observed that eunuchs, emasculated before puberty, all retained fine heads of hair, and reported that there is no recorded case of one ever having become bald.

Discoveries in this field explode a popular notion. Traditionally, the bald-headed man has occupied the front row at burlesque shows. Among the uninitiated this has been attributed to near-sighted-

the hair and the development of the intellect.

Disciples of this school can call on history to provide examples to support the argument. The philosopher, Socrates, one of the great minds of all times, was bald—as was the peerless Shakespeare. Likewise, the military genius, Julius Caesar.

### Bald heads often leaders

TODAY the man with the balding bean is tops in many fields. The fraternity of the bald makes a strong bid for leadership in the entertainment world. Its membership includes Bing Crosby, Charles Boyer, Edgar Bergen, Fred Astaire.

In politics—where practitioners depend on popular appeal—the hegemony of the hairless is marked. In the pre-convention race in the Republican party, two leading contenders, Taft and Stassen were balding, as was the popular dark horse, Vandenberg.

Nor should it be overlooked that both major parties flirted with the balding Eisenhower.

Although a wild shock of hair is supposed to be the distinguishing mark of a musician, it should be noted that the boss man of the bandmen, James Caesar Petrillo, has very little hair.

And the bald head shines in the business world. Louis Mayer, who frequently is first on the individual earnings list, and Henry Kaiser are but two among thousands who could be mentioned.

Take a look at the world of sports and you'll want to rush out and buy a depilatory. The lads who provide the brawn are hairy and the coaches who provide the brain frequently are bald. The late great Knute Rockne was a case in point.

There is fairly general agreement among students that heredity also is a factor in baldness. Those who see the condition associated with virility put it something like this—if your great-grandfather was of an amatory bent and bald, you may well have inherited both characteristics, one the natural consequence of the other. Those who see baldness as the mark of brains say, if your ancestors had both high foreheads and high IQ's, you're likely to have the same and that there is not much you can do about either.

Unfortunately, much of the more learned writing on the subject has been confined to medical and scientific journals. Uninformed or misinformed, the average man with a thinning thatch hasn't

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Socrates, Shakespeare, Caesar—bald men of distinction

coarseness or fineness of the hair. The visible portion of the hair is dead matter, a horny substance not unlike that contained in the finger and toe nails. Men constantly are shedding hair and growing it anew. When new growth ceases, baldness results.

It's this latter phenomenon—what causes hair growth to continue in some men and cease in others—that is the source of disagreement among the experts. There are two principal theories. Some students accept both in part.

One school contends that there

ness due to advancing years. We now know that the eyeballs are not responsible.

Another school holds that baldness is a true triumph of mind over matter—that there is a constant struggle between the gray cells and the hair cells—and that the more a man has inside his head, the less he will have on top of it.

Recently, an Irish scientist, Dr. R. E. G. Armattoo, completed studies to support the contention that a bald head is the mark of an educated man—that there is an inverse ratio between the growth of





Only the vocalizing is the work of the speaker himself

# Ghosts That Haunt the Hustings

By HERBERT COREY

**T**HE STORY goes that Christy Walsh's editor called him in.

If the story is apocryphal it makes no difference. This narrative will deal with gentlemen who sell apocrypha over the counter. Walsh was then writing baseball on the long dead New York World:

"Christy," said the editor, "get me a signed statement by one of your baseball heroes. A human document, see. The gents who read this baseball clabber will eat it up."

"What about?" asked Walsh.

"Don't tell him," said the editor. "Just see that he signs it."

The modern and strictly American business of ghost writing came into its own that day. Except in

**PUTTING WORDS in the mouths of the famous has become a big industry which may set new production records in this election year**

England, where the freedom of the press is at least alive enough to shoot at, the European press is controlled by the governments, and ghost writing is not important enough even to be classified as a whimsey. In this country ghosts are as numerous as the passenger pigeon used to be.

Most of them work for business, industry and finance. They are useful, even valuable. They reduce the frequently cluttered thoughts

of their principals to intelligible order; they are sharks on statistics because, if they miss with a single digit, they will be shot at by practically everyone. As a body they do no harm, because they present all the facets of all the questions.

The rest of the ghosts work in government and are always under fire.

No one knows precisely how many government ghosts there are. Forest A. Harness, chairman of the

subcommittee on publicity of the House Expenditures Committee asked the Bureau of the Budget to find out for him and the Bureau replied that it would cost \$150,000 and three months' time, and Harness quit. He thinks there are about 45,000 publicity employees in the various departments and that annual cost is about \$75,000,000—

"And I think this is an underestimate—"

But not all of the 45,000 are ghosts. Some are hard working men and women who dig out the facts and put them at the disposition of the press. They are indispensable. If they were not on the

profession from which he rose. If the Ku Klux Klan were to purge the Department and fill its corridors with night shirts and red lanterns, he would convey these facts to the press quite unemotionally and his count of the shirts and lanterns would be accurate.

There are hundreds of stenographers and messengers. An ex-ghost for the Government maintains that there are not more than 500 bona fide ghosts at work. This estimate is challenged with heat by others in a position to know. The variance may be accounted for by the fact that it is difficult to define a ghost with accuracy. One man

in the Social Register or the Tail Waggers.

Today it is not possible to guess at the total number of ghosts at work. There are three large organizations with branches in several cities. Every city has at least one ghost workshop. The newspapers and magazines carry advertisements offering anything from a nice, hot sermon on the Apocalypse to serious studies by competent writers of all the world situations. The speech you heard in Parlor A last night, after the chicken Maryland and the vanilla ice cream had been disposed of, may have been written by a ghost. You might hear it again tomorrow night in Parlor B. Only the voice will have been changed. One or two stories will have been added if the ghost heard any new ones.

### Duplications cause trouble

ACCIDENTS will happen in any factory, of course.

The *Congressional Record* shows that on one occasion Senator Burke of Nebraska and Senator Byrd of Virginia delivered the same speech on the same subject on the same day. Same ghost. No harm was done because it was a good speech. Two Cabinet members were dated to address a society in New York not long ago. The one who was to deliver the highest-powered oration as the finale of the evening was horrified to hear his fellow member saying precisely what had been written for him to say. His improvisation was not a flower of eloquence, but he got by.

Over the signature of Major Spook, an Army ghost tells in the *Infantry Journal* of three generals who by mischance were handed identical speeches for a big occasion. The first general did a fine job. The second general stumbled a little but his audience probably concluded that they were just listening to a military mass-mind formation. The third general was so angry that his ad libbing was a roaring success. These things rarely happen in the Army.

"Having worked for the Old Man for several months I am now practically his counterpart," wrote Major Spook. "I know his favorite phrases well, including some of his colorful profanity, not usable in the speech but likely to be introduced extemporaneously once in a while. And I have been issued complete instructions on setting what he calls 'a confident tone, aggressive, alert and forceful' in all my pithy sentences and paragraphs. I also have a list of 50 words that he doesn't pronounce too well. But



Truman does best when he lays aside prepared texts and talks off the cuff

may be called on only occasionally to provide a speech or a magazine article. The man at the next desk may be hard at work all the time, turning out highly opinionated and very competently written material for the guidance of public thought. The salaries run up to \$10,000 a year.

Christy Walsh's ghost walked so competently that it made him a rich man and other reporters began writing pieces.

Ghosting was made easy by the wolfish appetite of the American press for inside stuff from the box-stalls. This applies also to the radio business. Half a dozen commentators have acquired opulence by piping in hot flashes from the accouchement parlors, even if few of the listeners are quite certain whether the happy parents belong

job there would be more newspaper reporters in Washington than there are men in the Army of Occupation in Germany.

Typical of those who are genuinely useful is Michael McDermott, a solid, easy tempered Irishman who began his professional life as an eight dollar a week stenographer in New England and for 20 odd years has been the publicity chief of the State Department. He isn't a ghost but he serves as an illustration of the durability of the



that's no reflection on my general. Comparing notes with other ghosts I find that every public speaker has the same trouble. It gives them an inferiority complex. They should just realize that lots of those words aren't worth pronouncing."

Broadly speaking, no ghost works for less than ten dollars. For that trifling sum he will dig into the barrel and produce something that can be furbished up enough to satisfy a not too critical speaker. Above all it must be timely. The newspapers and magazines are crammed with information that can be worked over. A talk on the two-man "seal" submarines which the Russians are now producing will sound as though it came direct from Admiral Nimitz himself. The better the material, the higher the price, of course.

A really top-notch speaker is provided with a talk that is bulwarked with reliable facts taken from the libraries and the ghost's own morgue. If the speaker is a regular customer, his tricks of phrasing and expression are studied. The level of eloquence at public dinners may not always be high—that is a matter of opinion—and the conclusions of a dozen speakers on the same topic may be as unlike as the spots on a Dalmatian, but the facts are dependable. If they seem a shade off base sometimes it is generally safe to blame the speaker and not the ghost. The livelihood of the latter depends on his copper-riveted accuracy. Sometimes the orator overheats a bit and swings into rhetoric that has not been passed on by his control.

This is rarely advisable.

When Henry Wallace made his latest visit to England he was regarded by the Socialist Government and its followers as almost Heaven-inspired. He made a series of speeches which had his auditors shouting "Hear, Hear" even on



Henry Wallace lost his reputation as an orator when he lost the services of his ghost for a single talk

their way home. Wallace's ghost is known as one of the best. No one has ever told where he gets his ideas, although some fingers have been pointed to a little group of men who are Wallace's intimates, but he puts the ideas in Wallace's own words, only better. When Wallace finished the last of the speeches ghosted for his English tour he—according to *The Saturday Evening Post*—packed his bags for the journey home. The ghost was already on the high seas. But Wallace had aroused enthusiasm among the Socialists and they demanded one more.

"No," said Wallace.

Ickes likes to write and usually what appears in his name is his own work



"For cripes' sake," said the Socialists in the island equivalent for this phrase. "Come, 'Enery. One more bally blast, old topper."

Against his better judgment, Wallace complied, and—still according to the *SEP*—fell heavily on his oratorical face. No one should regard this as a harsh judgment upon Wallace. Only the occasional orator is able to scramble the same eggs over and over again and produce a palatable dish each time, but that is the business of the ghost. He weaves in and weaves out, adding a touch of sparkle here and there and arranging the facts and assertions in new order. One of the complaints made by the reporters who accompanied Harold Stassen on his campaign tour—as told by the *New York Times*—was that he told the same old stories over and over again in the same old words to his different audiences. It was all right with the listeners. They had not heard them before, but the reporters groaned. A good ghost would have helped.

There are critics of the ghosting business, of course. Daniel March, president of Boston University, lit into them savagely not long ago. He said that any one who uses a ghost is "dishonest, morally threadbare, too lazy and too dumb."

But the facts do not sustain him.

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# Their Sales Depend

By LAWRENCE GALTON

**BARCLAY STREET**, New York, which runs five short blocks from Broadway and the Woolworth Building to the Hudson River, is the biggest religious merchandising center in the world. In its upper two blocks are more than a dozen stores and lofts that deal in everything from rosaries, vestments and sacramental wine to altars, bishops' caps and prizes for parish parties.

The religious goods center in Chicago is concentrated on Washington, Franklin and Madison Streets, which form a "U" in the heart of the downtown area. The firms on these streets are some of the largest, oldest and most prosperous in the business. But, although there's some competition for the title, Barclay Street comes out on top.

Even the official *Catholic Directory* is published on Barclay Street and here, any day, you can find more priests and nuns shopping than on any other street in the world. You can also find laymen searching for medals, prayer books and religious ornaments for the home.

It's notable that, although Barclay Street deals almost entirely in Roman Catholic religious articles, it is named after a Protestant minister (the second rector of famed Trinity Church), Protestant clerks work in several of the Catholic-owned stores, there are Protestant proprietors of others, and one

**HERE is one industry that declines to change its Victorian era methods for those of a jet propelled world**

of the largest suppliers to the street is a Jewish-owned firm.

If this kind of brotherhood is no surprise in theory (although nice to find in actuality) the church goods business has its full quota—and even more—of unexpected aspects.

To be sure, it's no big business. The estimated annual volume for stores throughout the country dealing in articles of all faiths is about \$40,000,000. But nowhere else will you find such a mixture of great competition and no competition at all—each where you might least suppose.

The Methodist Church, for example, owns its own publishing company and also 13 stores located throughout the country which do a \$9,500,000 annual business. These establishments carry full bookstore lines and, in Richmond, Va., the Methodist store sells popular fiction, nonfiction, a complete line of school supplies, and appeals to everyone re-



ED WERGELER FROM BLACK STAR

The biggest religious merchandising center in the world is Barclay Street, just off Broadway, in mid-Manhattan



ED WERGELER FROM BLACK STAR

Nuns, clergy and laymen frequently patronize shops along the way searching for articles or ornaments

NATION'S BUSINESS for August, 1948



# on Faith

ardless of denomination. From the profits of publishing and retailing, \$400,000 a year is set aside for aiding retired ministers and the families of deceased clergymen. This is one reason members of that faith tend to trade in their own stores.

There is similarly no competition in goods for Baptists whose Church owns stores which carry a full line of supplies, including books published by the Church's own publishing house. Lutherans, too, have church-owned stores.

On the other hand, in the Episcopal field competition is active. Privately owned enterprises supply the 2,000,000 Episcopalians. One representative large firm, Morehouse Gorham, with headquarters in New York and a branch in Chicago, is a publishing house that also does a retail and wholesale business in books from England and in church decorations.

In the Jewish faith, competition is even keener in spots. Some 40 privately owned establishments operate in greater New York, centered largely in the lower East Side. There are also large stores in Philadelphia, Chicago, Detroit and Los Angeles—in fact, in most big cities with the exception of those in the South. Not even the largest southern city, however, with the exception of Miami Beach, has a big enough Jewish population to warrant a shop. In



JOE COVELLO FROM BLACK STAR

While merchants deal mostly in items associated with the Roman Catholic faith, Hebrew articles also are available  
NATION'S BUSINESS for August, 1948



ED WERGELER FROM BLACK STAR

Despite the inroads of modern construction on all sides, the street clings to its old-day atmosphere

Atlanta, Ga., for example, a man who runs a delicatessen store takes orders for religious goods on the side, and rabbis arrange to supply their congregations. In New England, Boston is the only city that has a Jewish store.

But it's in the Catholic field that rivalry is keenest and business volume greatest. Although Catholics number only 24,000,000, there's an approximate annual turnover of \$8,000,000 to \$10,000,000 in the Barclay Street area alone and more than \$20,000,000 nationally. The National Association of Catholic Publishers and Dealers in Church Goods, the only such organization in the religious goods field, has 126 members and estimates that there are at least 968 Catholic dealers and 662 manufacturers of Catholic supplies in the country.

What goes on in Barclay Street is representative of all the Catholic Church goods stores across the country.

For one thing, there's the old-line quality. Second-generation firms are commonplace, third-generation not infrequent and a few have come down through four. One of the largest firms was set up in 1838 and now includes four great-grandsons of the founder.

Second, there's the "old look." Turn into Bar-

clay from Broadway and, though you're only around the corner from modern Manhattan, you're suddenly engulfed in the Victorian era.

Many stores are in old buildings, with dimly lit windows soberly dressed. Often four or five steps must be climbed to enter the store. Interiors are dim and crowded with tables on which articles are piled rather than displayed.

There's a third factor: the stores are not easy to classify. In Barclay Street all but the smallest shops are more than just over-the-counter establishments.

One of the oldest organizations occupies a five-floor building, devoting the first floor to a religious articles store and the other four to a huge publishing business. The company's catalog, in addition to the bulky official *Catholic Directory* which contains the names and addresses of all Catholic ecclesiastics and institutions in the country, includes books ranging in subject from the lives of the saints to sports stories with a religious slant.

Another Barclay institution manufactures everything in the church goods line except candles and woodenware, publishes books, and operates five stores throughout the country.

Most dealers in Barclay Street and elsewhere do no manufacturing, and much of their business is done by mail and through salesmen.

The usual practice is to sell institutions at wholesale and to give the clergy a discount of 20 per cent on religious articles. In addition to supplying established institutions and churches, dealers often undertake the furnishing of a new church.

An order for the latter may reach a large figure. Religious goods, even those for lay use, vary widely in quality and price. To illustrate, rosaries run from the 25 cent kind, consisting of glass beads strung on steel wire, to those of precious stones or pearls strung on gold wire and costing \$1,000. Similarly,

a church altar may be made of wood and cost \$150, or be fashioned of imported marble for \$500,000. Generally, the larger the membership, the more costly the church. But one New Jersey parish of 3,000 has a \$750,000 building furnished at an additional cost of \$500,000. Some New York City parishes of 9,000 have considerably less expensive installations.

### More goods now made here

ONE of the more unusual aspects of the religious goods business is the long—and, until recently, unsuccessful—struggle of domestic manufacturers to get a foothold.

"Barclay Street dealers are American by birth but foreign by habit," is an old saying.

Until World War I, much of the street's ware was imported. Marble statuary came from Italy, and composition statuary from Germany. Prayer books and Bibles, particularly the more handsomely bound, were brought from Belgium and Czechoslovakia.

Even small articles, such as medals and rosaries, came from France, Germany and Italy.

During the first war, an American industry did spring up, only to become paralyzed in peace years. The feeling that religious articles are objects of art and could not be made here was overpowering.

One publishing firm, for example, which had begun in 1916 to specialize in exquisite bindings for prayer books, had to convert to the printing of commercial labels in order to hang on between the wars.

But the second war gave impetus to American manufacture, and the publishing firm is now in the export business itself. The firm exports 40 per cent of its total annual production of 1,000,000 volumes.

(Continued on page 76)



The Methodist Church operates its own publishing company in Richmond, Va., along with a bookstore, one of 13 around the country, which do a \$9,500,000 business every year



# When is a Luxury Not a Luxury?

By ROBERT D. BYRNES

**FROM THE testimony now before Congress it is evident that not everything is equitable in the domain of excise taxes**

**T**HE Internal Revenue Bureau went to a dictionary, rather than the law reports, for a definition. As a result, all trailers, even those designed to be placed on foundations are subject to excise taxes. More than that, a space heater or similar facility for such a trailer is liable to an excise tax as an automobile accessory, though such equipment is not taxable when bought for the ordinary, permanent residence.

This is just one of the problems placed before the House Ways and Means Committee in connection with revision of the excise tax law

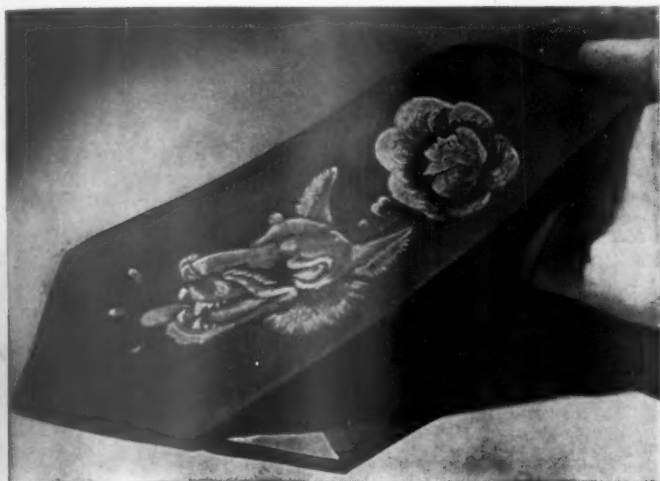
last year. The problems ranged from whether a woman's handbag is a luxury to whether a kitchen gas range is more of a luxury than a cellaret. The committee records show one indignant claim that deodorants are no more luxuries than baths, with the implication that one is just as taxable as the other. So far, however, there is no excise on bathing.

The most generally recognized excise taxes are those imposed on tobacco and liquor. In all wars, the scope of excise taxes has been expanded to levy on other luxuries,

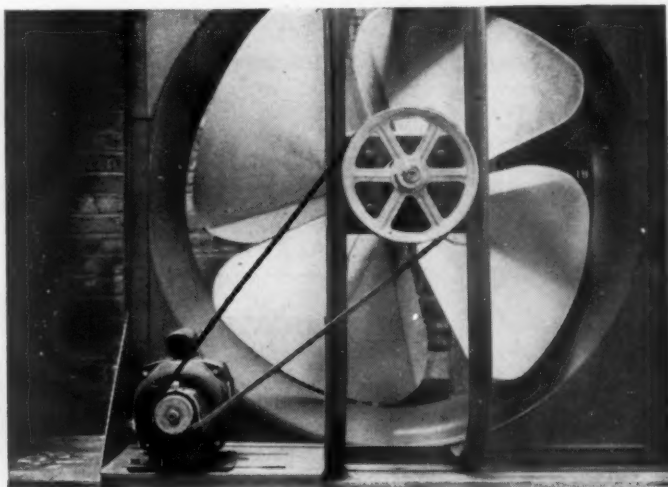
and World War II was no exception.

The excise tax sections of the Internal Revenue Code were convenient pegs to which to attach controls in the beginning of the war-production cycle. Some of the levies, the so-called Henderson taxes, were imposed at the suggestion of Leon Henderson, when he was OPA administrator, to put a brake on civilian purchase of items whose components were needed for the war effort. War controls and more direct limitation of civilian goods followed. When the war ended and controls were removed, the cry was for production and more production. But the taxes remained.

On their removal, or revision, hang such matters as housing, unemployment, elimination of unfair



The flashiest hand-painted necktie comes tax-free, yet a clasp to hold it does not



With fans, the test is whether the blades are mounted directly on the motor shaft

competition and even juvenile delinquency.

Arguments to the committee in behalf of changes in the tax laws, of course, come from persons and groups who have an interest in the removal of the taxes. But the committee, Congress and the ordinary citizen have an interest, too. It was expressed once by Rep. Robert L. Doughton, veteran North Carolina member of the Ways and Means Committee, as getting the most revenue with the fewest squawks.

Until the perfect tax bill is written, there will continue to be squawks. Even the committee members placed on the record their beliefs that some of the complaints were justified protests against situations which have arisen under the present laws or interpretations of them.

Translation of the legislative objective into words is not always an exact process, either, even without the new colorations of meaning which come from interpretations.

Even where there was what seems to have been a clear intent on the part of Congress, the situa-

tion is not always a simple one. Section 3404 of the Internal Revenue Code, for instance, provides for a tax on radio receiving sets, phonographs, phonograph records and musical instruments. The current tax of ten per cent is double what it was before 1941. Radio manufacturers told the committee they are being priced out of the market.

### Something more than music

RADIO is more than entertainment, and the aviation representatives came before the committee for an amendment making this clear. They pointed out that radio communication is essential to safety of life and property in the air, and is required by law. Nevertheless, receiving sets used in ground to air communication are taxed as if they were drawing room luxuries.

More than that, the aviation industry feels it is the object of discrimination. In Section 3465 of the Internal Revenue Code there is an exemption for common carriers from the communications tax on

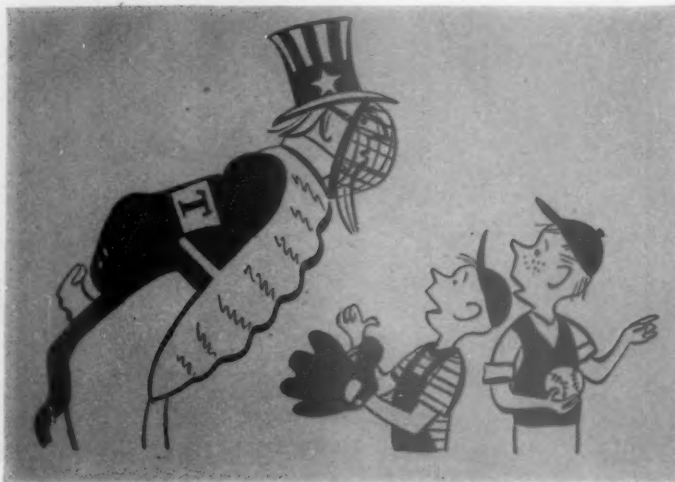
leased-wire facilities used in the conduct of business. And in Section 317 (b) of the Tariff Act, there is an exemption from domestic taxes for receiving sets sold for use on foreign aircraft. So foreign-flag aircraft, using the same radio equipment in competition with United States air carriers, enjoy a ten per cent preference.

The section of the code which includes aviation radios along with luxury articles also reaches toys. A brief filed with the committee by a New York company points out the Bureau has held that the excise applies to crystal sets, too. These are bought chiefly by children. The manufacturer says he has his doubts about the intention of Congress to tax such items.

The trailer industry is certain that Congress did not intend to include their products among luxuries. This group makes a distinction between what it considers dwellings, with portability a secondary consideration, and "trailers and semitrailers suitable for use in connection with passenger automobiles and motorcycles" as the tax law provides. To support their



Wood and coal stoves escape the levy that is placed on their modern counterparts



There's an excise on junior-sized baseballs and gloves, but the bat is tax-exempt






# Blood—a barometer of Health!

Q. How do blood tests  help guard your health?


A. These tests help to reveal the condition of your blood so that your physician can detect "hidden" diseases that are often difficult to diagnose in their early stages. Many doctors use blood tests as a regular part of periodic

physical examinations. So if your doctor suggests a blood test, don't worry. He is using, for your benefit, one of the valuable procedures of medical science.

Q. What does a blood count  tell your doctor?

A. Checking the number, size, shape, and condition of your blood cells is called a blood count. The number of red cells and the amount of hemoglobin in them is one of the indices which help reveal your general physical condition. A

count of white cells may be of value in diagnosing certain diseases. It is sometimes combined with the sedimentation test, which establishes the time taken by blood cells to settle.

Q. What will chemical analysis  of the blood show?

A. Your blood is composed chiefly of water, salt, sugar, fat, and proteins. Chemical analysis of the blood is used to determine whether or not these and other components are present in

normal amounts. This is important in aiding diagnosis. For example, excessive sugar, salts or waste products in the blood indicate conditions requiring medical treatment.

## What should you know about the blood?

The blood serves as a transportation system within the body, bringing oxygen, food, and other materials to the body cells and carrying away waste products. The white blood cells and substances called antibodies help to keep the body healthy by fighting infection. When certain antibodies are found in blood serum, they help in diagnosing a number of diseases.

Research has discovered ways to extract many valuable medical agents from the blood. Among the most im-

portant are: *Gamma globulin* which provides immunization against measles; *fibrinogen* and *thrombin* which are used to control bleeding and to make surgical "sponges" which may safely be left in a wound while it heals; and *albumin* which has proved effective in treating certain diseases.

The American Red Cross has prepared a helpful booklet on the blood and its relationship to good health, entitled "The Story of Blood," 88-P. Through the courtesy of the Red Cross, the Metropolitan is able to send you a free copy on request.

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contention, they cite a Michigan case, upheld by the Supreme Court of that state, in which the court held that "the trailer coach has become a semipermanent residence, and not a living unit for transients who go from place to place following seasonal work; or living quarters for the hunter and vacationist as heretofore suggested. . . ."

When the industry went to the Internal Revenue Bureau to point out that the statute did not specify trailer coaches, the bureau said the word "trailers" in the statute must be interpreted in its generic sense. Webster's "New International Dictionary, Unabridged, Second Edition," the bureau pointed out, does not define trailer coach, but does include among definitions of trailer "an automobile-drawn trailer built with household furnishings to serve as a dwelling." "Unfortunately," the committee was told, the Internal Revenue Bureau accepted this 1939 definition, rather than the 1941 court decision.

During the discussion, the question of equipment was raised. First

the Bureau ruled that oil-burning space heaters are not subject to the excise tax. The trailer people replied they assumed this ruling applied to all space heaters for dwellings, including those installed in house trailers used as permanent homes. The bureau replied this was not so, and if such space heaters are primarily designed and adapted for use in trailers, they are automobile accessories, under the law, and subject to a five per cent tax. The industry claims this means that if a manufacturer sells a sofa which is used in a house, it is not taxable, but if the same sofa is put into a house trailer, it is taxable.

### Complication in fan tax

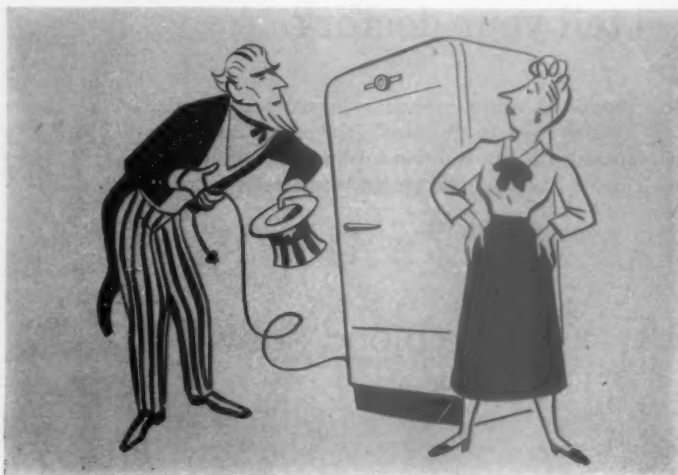
THE electric fan situation is one of wording of the law, not definition. The excise tax is imposed on "electric, direct motor-driven fans and air circulators." Obviously considered luxuries are the ordinary office and home fans. But fans are also used widely in industry and agriculture, sometimes to meet codes prescribing ventilation

standards. Where the blades of such fans are mounted directly on the motor shaft, they come under the wording of the law and are taxed. But if the fan blades are not mounted on the motor shaft, and are operated by a belt, the fan is not subject to tax.

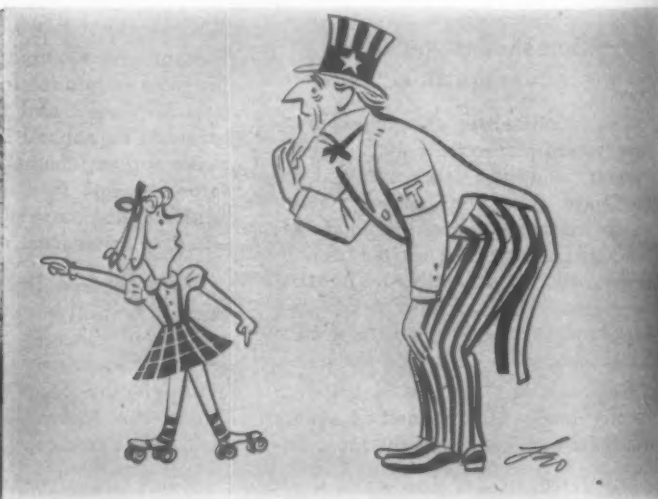
Another situation, not competitive, but irksome, was cited by a manufacturer of check writers. This item is taxable under Section 3406 (a) (6) dealing with office machines. Typewriters, calculating machines and adding machines are taxed under the same section. On check writers and check signers, however, the tax is ten per cent of the retail price of the unit. All other office machines are taxed on an average wholesale price established by the Internal Revenue Bureau as being 60 per cent of the retail price.

The buyer and the distributor, the committee was told, notice that a check writer and a typewriter, each selling for about \$135, are taxed under the same section of the Internal Revenue Code. But the amount of the tax on the for-

(Continued on page 64)



Uncle Sam levies an excise tax on electric and gas mechanical refrigerators



A velocipede is not taxable. However, it's a different story with roller skates



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## Is a U. S. of Europe Practical?

(Continued from page 34)

dustry will be voluntary—if at all possible.

**8. Transportation.** Waterways, railroads and other internal traffic and possibly overseas shipping would operate as unified systems. Canal tolls and rail rates, port charges and regulations would be equalized. The cost of maintenance and other problems of these utilities would continue to be a responsibility of the present owners.

**9. Commercial policies.** These must be uniform among the countries. Production or export subsidies; excise, luxury and sales taxes, business licenses and all the present national incentives or restrictions likewise would be equalized.

**10. Education.** Schools would continue under state, religious and secular control but revision of curricula would be necessary to eliminate national rivalries and implant the doctrines of international unity and amity in the coming generations.

**11. Codification.** Extensive revision of laws will be obligatory to meet the changed conditions. Laws of some European countries are based on the Napoleonic code and others on Anglo-Saxon procedure. Corporation and individual rights, private ownership, inheritances, patents and many more things must be made uniform in a union.

In fairness to every nation that enters the union, each big item under the general classifications—mines, factories, employment and many others—must be considered separately before an amicable compromise is found. Individuals must receive the same justice. Arbitrary decisions where established enterprises or localities would survive or perish according to their ability in the broader field of a union would wreck the pretentious project. That explains why so many months or years of negotiation may be necessary before a United States of Europe becomes a reality.

Though a majority agree on the desirability of a European union and few count the difficulties, influential opinion is divided on what is the best road to the goal. Most colorful is the program of the unofficial group which met in The

Hague. Representatives would agree first on a political union, uniting the nations and refugee governments of western Europe, and reconcile the differences later.

Another group, for which the present government leaders of the British Commonwealth speak, would advance toward the goal by picking a country at a time for agreements. These agreements would be within the socialist family, made only with other socialist states with government operation of transportation, banking, natural resources and other activities.

A third group, including Benelux (Belgium, the Netherlands and Luxemburg) which already is a functioning union, believes the surest way to start is first to form regional unions. As they mature and the "bugs" are ironed out, they can merge into a United States of Europe. They contend that the profit motive is more effective in uniting hard-headed business competitors than sentimental appeals are in overcoming the racial and nationalistic prejudices of a people. They would combine first on the unsentimental big things—natural resources, power, steel, shipping and such. Gradually other items and activities could be absorbed until eventually—if still considered desirable—a political union was achieved.

### Working for union

THE Scandinavian nations are working on such an agreement. France and Italy have made progress. The six-nations conference—United States, Britain, France and the three Benelux countries—has drafted recommendations for economic cooperation with western Germany. The same five European nations also have a customs union study group in Brussels, working on plans for their economic co-operation.

Even larger is the conference on European economic cooperation which includes the 16 so-called Marshall plan nations—Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxemburg, the Netherlands, Norway, Portugal, United Kingdom, Sweden, Switzerland and Turkey. Just as threats of war in the past always brought alliances, the Marshall plan may have influence in forming a more enduring union.

Though its problems are smaller

and less numerous in comparison, Benelux is a living example of what must be faced in organizing a United States of Europe. As an historical precedent, the three countries were united in the Kingdom of the Low Countries in 1815. Friction developed and the union dissolved in 15 years. A few years later Luxemburg became an independent grand duchy and was integrated in the Germanic customs union until 1919. In 1922, the Belgium-Luxemburg economic union was created. The two countries thus have their own union and, with the Netherlands, form the Benelux union.

### A start at union

THE THREE refugee governments ratified the Benelux agreement in London on Sept. 5, 1944, almost four years ago. Though familiar with economic unions, their subsequent experience taught the vast difference between oratorical approval of a union and the enormous practical difficulties in putting one into effect. Industrialists, farmers, workers and other interests in each country demanded hearings. As fast as a compromise was reached on one item, a dozen other issues demanded answers.

The three parliaments did not approve the union until last fall. Ratifications were exchanged and it became effective on Jan. 1, 1948—but only partially. A secretariat, three union councils, seven committees and 50 subcommittees sit permanently in Brussels to supervise operation of the portion of the agreement now in effect and to work out methods to put the remainder into operation.

In its present state, Benelux, though popularly hailed as a complete economic union of the three countries, has not gotten beyond a tariff union. The three, as Benelux, have new and uniform tariff rates for imports from outside countries and no customs duties are levied on trade between themselves. However, travel and trade across the internal frontiers are not free. Frontier guards still are there and what moves across is subject to quotas, excise, transmission and schedule taxes and other restrictions of each country.

Economies of the three countries have not reached the uniformity necessary for an economic union. Belgian and Luxemburg francs are strong while the Dutch guilder is only half of par on the black market. Excise, sales and luxury taxes are unequal in each country. All levy excise taxes on beer, spirits,



motor oil, gasoline, tobacco and sugar while the Netherlands includes salt and the other two add vinegar, matches and oleomargarine. The Netherlands, which lost heavily in the war, has price control, rationing and subsidies for production. They are few in the other two countries. Government permission is necessary for a sizable new factory or plant expansion in the Netherlands. In Belgium, each industry works out its plans subject to government approval, though out of deference to its neighbors, government permission is now required for expansion in 21 lines of industry.

Benelux, forming the third largest trading area in the world after Great Britain and the United States, has found that union gives it prestige and strength in negotiating trade pacts with other countries. The three do not even consider merging their governments into a Benelux state. Belgium, because of its delicate political balance between Walloons and Flemish, even opposes admitting France into the economic bonds of Benelux. In the Netherlands, two trade unions favor Benelux while the second largest wants to end it.

#### Paving the way to union

THE experiences of Benelux are useful to the governments of western Europe in moving forward to tariff and possibly more complete economic union. The five-, six- and sixteen-power conferences will produce agreements. They will be for serious economic and commercial purposes. A political union is not in these official plans.

The tariff and economic agreements which are in the cards in Europe will be felt in the United States. We have trade agreements and favored nation treaties with those countries. They must be revised. The United States is no longer a favored nation of a country which admits the imports from its neighbors without duty.

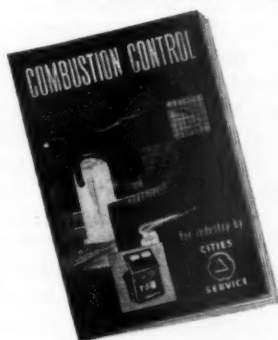
Opinions of commercial authorities differ on whether the coming European agreements will increase or curtail American commerce. All agree that the effect will vary according to lines of business. Some say that, with Europe united into larger trading units, American business will increase. Others insist that increased trade between the European countries will reduce American markets. The next few months will decide but we can be sure that at least 16 nations will not be too hard on the American business man as long as ERP and ECA are functioning.



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## Wastepaper King

**B**EFORE the end of 1948, Anthony S. Gaccione, a stocky, fiftyish, Italian-born American, will pay out more than \$30,000 to each of several small communities, earmark six times that amount for a long list of U. S. companies, and enrich the Salvation Army by some \$300,000.

None of these financial feats, however, will be done in the name of charity—although Tony Gaccione is a charitable man. As head of the Toga Paper Stock Company in New York, he annually swaps thousands of clean dollar bills for old wastepaper. But each year paper boxboard mills reimburse Gaccione approximately \$5,000,000 for buying, pressing and shipping the wastepaper to their mills.

Gaccione gets his paper from a variety of sources. Every day any number of communities figuratively light a match to heaps of dollars—money which otherwise might contribute substantially at the end of the year toward a new hospital, effect public-works improvements or trim down local taxes. Numerous industrial companies incinerate big sums in wastepaper which could mean the difference between profit and loss. Once Gaccione has had a chance to point out the mistake they are making, however, both communities and companies make ready to bury him in a paper snowstorm.

Back in 1942, as an experiment, Gaccione persuaded Rockville Centre, a New York City suburb, to let him salvage its wastepaper. His sales talk was aimed straight at taxpayers' pocketbooks: Every \$4,000 realized from the sale of salvaged materials would reduce the property tax rate by one cent.

To prove his point, Gaccione donated a hand baler and an electric baler. These he stationed in the town's incinerator building—along with a crew of workers who sorted loose wrapping paper, newspapers, magazines and cardboard from incoming trash and put them through the balers for shipment. In the first year of the experiment, Gaccione paid Rockville Centre \$15,000 for the paper he saved from the flames. Last year the sum exceeded \$30,000, while the community's tax rate dropped correspondingly. Today Rockville Centre goes in for salvage in a grand way.

Similarly, Gaccione has been able to work out mutually profitable deals with many large industrial concerns. For years a drinking cup manufacturer had been putting the torch to a hundred tons of wastepaper each month. This paper, because it was saturated with wax, was unsuitable for salvage and conversion to pulp until Gaccione came along. He went to a paper boxboard mill and got the operators to develop a washing

process which enabled them to use wax-coated sulfite paper. The project saved the manufacturer \$100,000 a year.

He regards at least 25 of his present wastepaper sources as "inherited." Shortly before the turn of the century his father, Angelo, left Acri, Italy, for this country where he soon went into the wastepaper business. He made it a practice to employ friends from Europe. Now more than a score of these friends have become small-scale wastepaper packers operating independently. But their biggest and best customer is Tony.

### To school on wastepaper

GACCIONE'S early introduction to the art of scrap collecting has stood him in good stead. In 1917, soon after he arrived at Ithaca, N. Y., to enroll in Cornell University, he discovered two paper mills near by. By ferreting out and selling paper leftovers to the mills, he was able to put himself through four years of school.

Because mill demand holds fairly steady, Gaccione doesn't mind competition. In fact, he claims credit for putting 150 men in business over the years.

One of them once approached him for money to buy a meal.

"I won't give you a handout," Gaccione told him, "but if you'll come to my office tomorrow, I'll put you in business." When the man showed up, Tony advanced the money for a horse and wagon and suggested a route. Last year that peddler grossed \$3,000,000.

Tony maintains a sharp edge over most competition because he operates nationally. Word that wastepaper is piling up in Dubuque, Ia., or Montreal, Canada, will find him or a representative on the spot ready with a bid. Several times a year he travels to Washington to bargain for the 45,000,000 pounds of wastepaper collected annually from government agencies.

The Government indirectly provided him with a mountain of raw material when it granted permission to corporations to scrap old OPA records. "Almost all of those records went into my baling machines a few days after the announcement," he says happily.

Another cause of pleasure to the "Wastepaper King" is his Pennsylvania farm. Strictly an amateur farmer, he has only mild interest in his chickens and pigs, but the many acres planted in young pines make him beam on every visit. "After all," Tony reminds visitors, "trees are the source of all wastepaper." —STEPHEN B. BOOKE





## "They're coming! The telephone men are coming!"

"They're coming!" shouted a West Virginia mountain boy. "They say we'll have our telephone before the end of the week, and so will Grandma!"

That's happening all over the country. During the past two and a half years, Bell Telephone companies have added about 775,000 telephones in rural areas—built enough new rural pole lines to stretch nearly two and one half times around the world—strung more than 375,000 miles of wire.

In this vast program of rural telephone expansion, West-

ern Electric is playing a vital part: manufacturing telephones, switchboards, wire and cable — supplying poles, crossarms, insulators, power-driven pole hole augers and many other tools the construction crews need to do their jobs quickly and well.

In cities, towns and suburban areas, too, *more* and *better* telephone service is coming fast. To help the Bell Telephone companies meet *your* needs, Western Electric is today doing the biggest manufacturing and supply job in all its 66 years as a unit of the Bell System.

### MANUFACTURER... PURCHASER... DISTRIBUTOR... INSTALLER...

of 43,000 varieties of telephone apparatus.



of supplies of all kinds for telephone companies.



of telephone apparatus and supplies.



of telephone central office equipment.



# Western Electric

A UNIT OF THE BELL  SYSTEM SINCE 1882



Ralph Coxhead's versatile typewriter has more type fonts than a centipede has legs

**I**N A few months of striking, the International Typographical Union has unwittingly sparked a development in the printing industry which may become as significant as Gutenberg's invention of movable type 500 years ago.

When 1,500 union printers left their jobs on the Chicago dailies late last November, overnight the soft click-click of typewriter keys replaced the heavy clank of Linotypes. The next morning Chicagoans were reading papers that sported a new look.

The publishers accomplished a feat they wouldn't have attempted on a million-dollar bet a year earlier.

With speed equal to that of Linotype operators, typists trained in a few hours set all the copy the dailies needed on new electric typewriters equipped with "justifiers"—gadgets that allow the finished copy to arrive in columns as neatly as if Linotyped. Make-up editors then pasted the columns on page dummies ready for photoengraving. From that point on the normal methods of getting out a paper were resumed.

The star of this show right now is the Ralph C. Coxhead Corporation's Vari-Typer. The machine looks like an ordinary typewriter. It has the same standard keyboard and is operated in much the

# Museum-Piece Comes to Life

By FAYE HENLE

**WHEN printers left their jobs in Chicago newspaper plants they set off a development that might lead to a revolution in the industry**

same fashion. But, instead of containing a single set of keys—type font the printing trade calls it—the Vari-Typer offers a choice of 600 different type designs and sizes containing the complete alphabet and figures. In fact, a brand-new type face was designed specifically for use by the Chicago *Daily Tribune*.

As the struck papers were put to bed that night last November, their publishers had new worries. Perhaps they didn't ask questions out loud, but they certainly were thinking:

Is this the beginning of the end? What will our readers say? How much news will this equipment allow us to print? And, most important of all, what about our advertisers?

Today the questions are answered. Readers liked the "new look" and some publication costs are reported to be lower.

What will this add up to? More newspapers and magazines, more books and pamphlets, more of everything that should be printed and isn't because of high costs may find its way to readers.

Take a look at the nation's press and see what has happened during the past 30 years. There are but half as many newspapers published today as in 1910 when our population was only half as large.

Until the day that the ITU called its strike, it was generally agreed that the financial obstacles to starting a new metropolitan daily were too great for most persons. Similar conditions existed for small-town weeklies.

The cost of publishing a newspaper of 100,000 circulation or more, reports *Editor and Publisher*, increased 28 per cent in the first six months of last year. Revenue from circulation and advertising rose only 21 per cent. This year publishing costs are expected to jump another ten or 15 per cent. Small



wonder that newspapers are looking for cheaper printing methods—that cold type provoked the hottest discussion at the American Newspaper Publishers Association convention in New York last April.

So far the new methods in use can be considered no more than emergency measures for the dailies. But the cost-cutting possibilities are clear.

With an electric typewriter and photoengraving equipment, the mat from which a newspaper page is printed now costs between \$15 and \$18. In another year, the experts predict, the cost may well be brought down to \$8.

Whether the Vari-Typer or its chief competitor, International Business Machines' electric typewriter that offers a single type face, will ultimately solve the cost problem, remains to be seen. Already, a steady stream of new developments in typesetting and photoengraving, in printing inks and carbon ribbons has been launched. And, nobody is more surprised about all this rumpus than Ralph Coxhead who developed the modern Vari-Typer, but modestly claims that he merely meddled around till he had added some 1,400 changes to an old, old typewriter.

"I wanted to get a machine small and cheap enough," he says, "so that a lot of things which were unpublished because of high letterpress costs would get printed through offset lithography."

History has proven that it takes a dreamer to get things started. Such a dreamer is the 56 year old Californian, son of an Oakland coffee merchant.

Shortly after getting out of high school, Coxhead became fascinated by a calculator he saw in a show-

room window. He applied to the company and landed his first job. Before long he had improved the calculator by designing a shifting carriage. Then he went on the road selling, and in his spare time designed a modern keyboard.

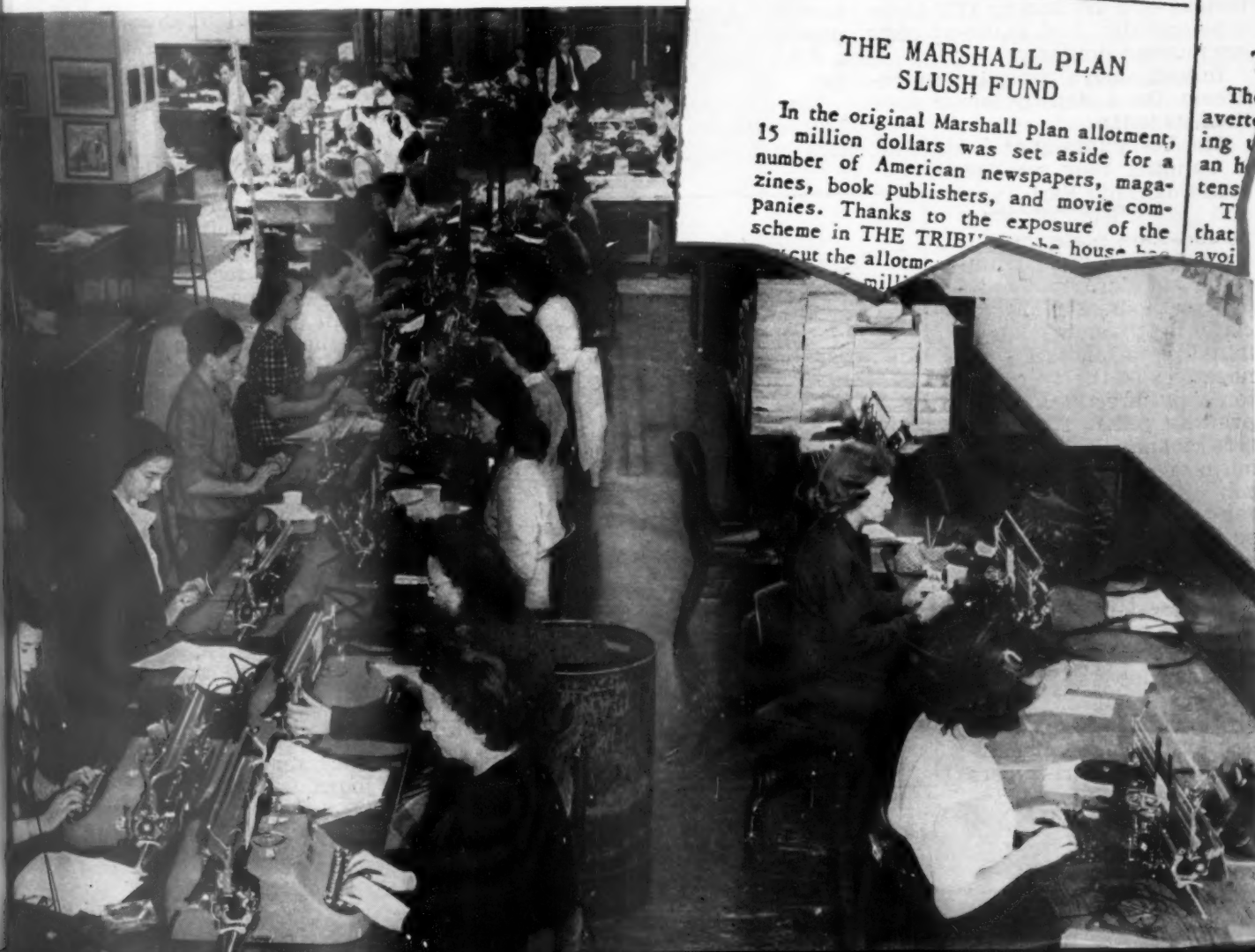
At the outbreak of World War I Coxhead joined the Navy, but soon was claimed by the Army to spur development of artillery ammunition and antiaircraft fuses. Before the end of the war he was liaison officer between Army, Navy and civilian technical information boards.

When the war ended, he wanted to get back to selling and started off peddling the German Mercedes calculating machine in this country.

Ralph Coxhead was content with his work until 1930 when he visited the Mercedes factory in Germany and found a huge armament plant producing for war. Not wanting to be party to such enterprise, he gave the Mercedes back to the Germans and looked around for something new.

Something new came in the form of something really old. In the 1870's a man named Hammond invented a complex typewriter that printed in Arabic and 50 other languages. It was destined to do

The click-click of electric typewriters became the lullaby of strike-bound Chicago dailies



## Chicago Daily Tribune

THE WORLD'S GREATEST NEWSPAPER

FOUNDED JUNE 10, 1847

14 TUESDAY, JUNE 8, 1948

ENTERED AS SECOND CLASS MATTER MAY 14, 1903.  
AT THE POSTOFFICE AT CHICAGO, ILL., UNDER ACT  
OF MARCH 3, 1879.

All unsolicited articles, manuscripts, letters, and pictures sent to The Tribune are sent at the owner's risk, and The Tribune company expressly repudiates any liability or responsibility for their safe custody or return.

### THE MARSHALL PLAN SLUSH FUND

In the original Marshall plan allotment, 15 million dollars was set aside for a number of American newspapers, magazines, book publishers, and movie companies. Thanks to the exposure of the scheme in THE TRIBUNE, the house has cut the allotment to a few million.

everything except succeed in competition with the standard typewriters whose simplicity brought sales. When Hammond died he willed his hybrid to the Natural History Museum in New York. The startled museum sold the patents to a banker named Frederick Hepburn. The latter named the machine Vari-Typer and, sinking all his money in advertising, never had funds enough to get into production.

Coxhead looked at the old Vari-Typer patents and felt certain that he could find thousands of others who would welcome such a machine. Among them, perhaps, the ambitious reporter who dreams of owning a small-town weekly.

"It can be done with a capital investment of slightly less than \$14,000 in a completely new and self-sustaining plant," says Coxhead.

His newest model sells for \$2,700. Cheaper models and similar available machines cost between \$308 and \$910. A small press sells for \$6,750. And add, says Coxhead, \$3,000 for camera and darkroom supplies and another \$1,300 for other equipment and you're in the business. Formerly it would have cost at least \$50,000 to get a decent start.

Running such a paper is relatively inexpensive. All typesetting can be done by a \$45 a week typist instead of a \$90 and up ITU Linotype operator. And, make-up costs are reduced similarly.

Indeed, such a paper is no pipe-dream. On a slightly larger scale it exists today.

The Perry family of Ocala, Fla., is running four weeklies with Coxhead's Vari-Typer and Dow Chemical's magnesium alloy plate that fits a rotary press and circumvents standard type-casting methods. The Perrys claim that it now takes 40 minutes to photoengrave negatives of the typewritten copy directly onto the printing plate. Their aim is to reduce this time to ten minutes and thus overcome the greatest disadvantage of the new method. The Perrys feel they are getting out a better looking paper than one using standard equipment—and for half the cost.

When typesetters in job printing shops followed the Linotypers out on strike, book, magazine and other users of commercial printing turned to Vari-Typers

and met their deadlines with a minimum of delay.

Now other publishers and commercial printers are plying Coxhead's office with questions. Since, for the most part, they were forced to rely on "typeless" methods for a much shorter period than the newspapers, they are showing more skepticism in evaluating the new equipment. The result is wide-spread disagreement among commercial printers about which of the several techniques offered are the best and, indeed, if any of them will do.

### Costs are still high

BUT, on one score at least, agreement is unanimous. Costs must come down. So, when publishers and printers come to see Coxhead he has plenty of evidence that his is the method for them.

For almost ten years the Government has been Vari-Typing such items as foreign and domestic commerce reports at savings of as much as \$3,000 a year on a single publication.

Indeed, historic honor was bestowed on the Vari-Typer when it was rushed to the battleship *Missouri* to fill in the U. S. and Japanese terms of agreement on surrender documents that marked the end of the shooting war.

Now the Bureau of the Budget is studying methods used by newspapers to see how much it can trim a \$70,000,000 a year printing budget.

Big city department stores like Lord & Taylor have decided that this medium will give their copy

that intimate look which they feel is so needed to push sales.

At the Hotel Commodore in New York the Vari-Typer is used to produce menus at savings of \$200 a week.

Still, big printers remain cautious in their appraisal of the Vari-Typer and its competitors. Two thirds of all commercial printing is done by letterpress and here the resistance is strongest. Publishers have millions invested in present-day equipment and are reluctant to junk it.

"It will be a matter of time until our union gains jurisdiction over Vari-Typists and then where will the cost saving be?" is one argument.

"The union will never win this fight," says an industry leader.

"Typewritten copy offers nothing to quality jobs," others add.

Ralph Coxhead is not worried about this.

"As I see it," he declares, "the Vari-Typer and other new methods should supplement printing rather than displace it. When I set about developing the machine, I thought of its use for office work almost exclusively."

But when it comes to the lithography and photo-offset branches of the printing industry enthusiasm runs high. Here, it already means a business boom to printers who are taxed beyond capacity in handling school and church publications and house organs for industry. Now the nation's big mail order houses are coming to them with their gigantic catalogs. Railroads are seeking to print tariffs by electric typewriters and photo-offset. And the method is excellent for tabulation and reproduction of charts and graphs, as the publishers of technical books are showing.

In New York City alone, of the 500 direct mail shops almost half have installed the Vari-Typer, and more than 30 small print shops are listed in the Manhattan telephone directory offering such service for enterprises too small to own a machine.

Publishers of foreign language periodicals for consumption at home and abroad are really sold on the Vari-Typer. Coxhead, who designed Siamese and Burmese type for wartime propaganda use, has the type faces they need, and, since revenue from these journals is far less than



"He can't telephone without doodling"



from English language magazines, cost-cutting is a must if these publishers are to stay in business.

Yet, it is the standard book publishers perhaps, who are caught in the tightest cost squeeze of all. Since 1939 printing costs have gone up 102 per cent. All of this means that a new author has less chance of getting into print; that fewer technical books and less church literature get printed; that text books are becoming too expensive.

Indeed, book publishers are not letting the newspaper and commercial printers get a head start on new printing techniques. Using an electric typewriter, one of New York's major publishers was able to set all copy for an important non-fiction book for \$1,000. It would have cost him \$6,000 to have it set in regular type.

Although appreciative of the Vari-Typer, book publishers are looking farther afield and weighing its possibilities against a machine called Lithotype which the Fairchild Camera and Instrument Company hopes to offer them soon. The advantage of this machine is the type variety it offers.

#### Seeking better type

EVEN Ralph Coxhead is not satisfied with his Vari-Typer type. But he is much more dissatisfied with the progress of new type development. Ever since he was visited by Frederick William Goudy, creator of more than a hundred type faces, Coxhead has been concerned over the plight of the type designers. Goudy died almost penniless last year.

"No one appreciates type designers," he says. "No one ever did."

A year later Coxhead purchased the Goudy home on the Hudson, "Deepdene," in order to preserve it. He had chanced to pick up a copy of the *New York Times* one day last April and had come to an item that said:

"'Deepdene,' Frederick William Goudy's home up the Hudson will be auctioned at public sale today. . . . The Goudys (the late type designer's family) cling to the hope that some person interested in the art of printing might show up at the eleventh hour and buy 'Deepdene' to preserve it."

Goudy's library and study will be turned into a museum, Coxhead promises.

The plans for "Deepdene" hold promise of much more than just a shrine to Goudy. For in the shade of spreading oak and elm, Coxhead hopes that type designers for the letters of tomorrow may soon be wending their scholarly way.

# skylines...

by Otis



*In Salt Lake City*, a background of unique historical lore blends with the activity of modern commerce. Founded by the Mormons under Brigham Young in 1847, Salt Lake City soon became a great agricultural center. It's still growing fast under the stimulus of Utah's vast metal mines and new steel industry. Look at its skyline. Why? 582 of Salt Lake City's 812 elevator installations are by Otis. That's why we say that skylines are the business of Otis.

#### THEY SHALL HAVE MUSIC.

Want to have your spirit elevated too? Then ride in an elevator that plays music by 'Muzak'. Something new? Quite. In the Beggs Building in Columbus, Ohio; and in the Palmolive Building in Chicago, among others, the cares of the business day are now wafted away on the notes of a lilting melody.



#### DON'T PUSH.

The newest way to call an elevator is by simply 'touching' a plastic arrow in the landing fixture. What happens? The electronic 'touch button' lights up. An electronic 'brain' receives your call and automatically stops an elevator at your floor. It's the world's first Electronic Signal Control for elevators. By Otis, of course.

#### STAIRS TOO MUCH FOR YOU?

A Personal Service Elevator will keep you in the family circle. It runs on ordinary lighting current as quietly as a refrigerator; installs with little fuss or bother; comes in car sizes that accommodate up to four persons or a wheel chair and attendant. And naturally, it operates easily with full Otis safety.

Write for Bulletin B-482N.



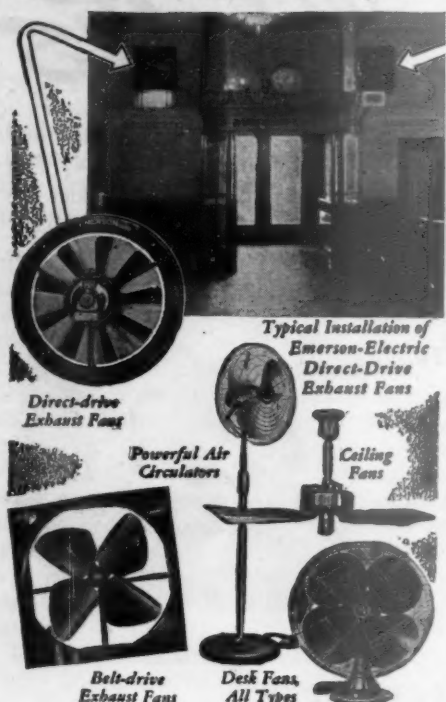
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MOTORS • FANS • APPLIANCES

## When is a Luxury Not a Luxury?

(Continued from page 54)

mer is billed as \$13.50 and on the latter as only \$8.10. The result, the manufacturer claimed, is that the customer questions the "integrity" of the manufacturer and there is an "exceedingly serious customer-relations problem" in defending the tax.

Jewelry is readily identifiable as a luxury item, and that industry presented a revision program accepting that fact. Admitting it would prefer repeal of the tax, alternatives of a reduction in rates from 20 to ten per cent or an exemption for the first \$25 of the purchase price were proposed. Failure to do anything, jewelers warned, will mean decline of sales, unemployment and eventually less revenue for the Treasury.

### Jewelry has competition

**DISCRIMINATION** is one of the main items in the charges made by the jewelry manufacturers. The jewelry tax, they pointed out, is levied on purchases for wedding gifts and graduation presents—but not if the giver passes by jewelry and selects crystal, glassware, oriental rugs, or other comparable items.

Pen and pencil manufacturers, by substituting stainless steel or some similar material for gold or silver, can produce a tax-free item.

Gold used on a pen or pencil, the committee was told, is valued at about 50 cents. The use of gold for an item retailing at \$15, however, makes it subject to a tax of \$3, or about six times the value of the gold used. A woman's hat is not taxed, but the hatpin to go with it is. A man's necktie is not taxed, but the clasp to hold it is.

A bride's wedding dress, hat, gloves, hose and shoes, no matter how expensive, are not taxed. The engagement ring and the wedding ring, bought by the bridegroom, are subject to the 20 per cent tax.

On another day, however, when women's organizations were protesting against the tax on handbags, claiming it discriminated against them and in favor of men whose clothes have pockets, there was different committee reaction. Chairman Harold Knutson of Minnesota told a woman witness that "the chair has very carefully gone through all the statutes and he cannot find any law against women having pockets."

Discrimination is extended still further in the sporting goods field. Purchases of athletic equipment by private schools and colleges are taxable, but those by public schools are not. Exemptions are granted state and municipal agencies, but not to the Y.M.C.A., Y.M.H.A. or Catholic youth organizations. The law attempts to make a distinction between sporting goods and toys, and exempts certain junior-sized items, such as baseball bats less than 26 inches long, as toys. But junior-sized balls, gloves and mitts are not exempt. On the other hand, all roller skates are taxed, despite the protests of manufacturers who cite two classifications of them which are just as much children's toys as the untaxed scooters, velocipedes and similar goods.

One contention given to the committee was that athletic equipment is not a luxury, and therefore should not be taxed. The argument runs that during the war large sums were spent on athletic equipment for members of the armed services. "Government funds cannot be expended on luxuries," it was argued. "However, if athletic goods are to be classed as luxuries, then we find the government agencies in the untenable position of admitting to the public that government funds are being expended on luxuries."

### Competition untaxed

**THE** electric appliance industry submitted one of the longest lists of asserted discriminations. Electric and gas mechanical refrigerators are taxed, but ice refrigerators and electrically driven home freezers are not. Electric, gas or oil cooking stoves are taxed but wood or coal stoves are not. Electric, gas or oil heated water heaters are taxed but hot water range boilers are not. Electric flatirons are taxed but sadirons and ironing machines are not. Electric heating pads and electric blankets are taxed but hot water bottles, blankets and bedding are not. Electric toasters are taxed, electric shavers are not. Various accessories such as hostess sets, trays, racks, stands, condiment sets are taxed when sold with taxed roasters, toasters, ranges. Sold separately from the taxed items, they are not taxed.

Difficulty in getting a catalog of taxed and untaxed items has been part of the trouble of those dealing in toilet goods. It was ruled at



one time by the Internal Revenue Bureau, the committee was told, that shampoos with five per cent or less of saponaceous matter were taxable, but those with more than five per cent were not. Later it was ruled that a shampoo was taxable, regardless of saponaceous content if designed or recommended as a hair tonic or dressing, or for waving, bleaching, dyeing, tinting or otherwise imparting an artificial appearance to the hair. Involved in this ruling, according to the testimony, was any statement—oral, imprinted on the package, contained in a circular accompanying the product, or by newspaper or radio advertising.

The luxury excise taxes in this field extend to such items as baby oils and powders and sunburn preventives.

### Taxing overburden

PERHAPS the classic citation of all the hearings was that presented by the sand and gravel interests. They raised the point that in their business the overburden or topsoil must first be removed before a sand or gravel deposit can be worked. This is customarily done by truckers, in contract with the owner of the deposit. The question presented then was whether the removal by contract truckers of the overburden or topsoil is transportation of property and subject to the three per cent tax on transportation.

The bureau had ruled that if the owner "does not designate the place to which the overburden or topsoil is to be removed and the truckers are free to dispose of the overburden or topsoil as they see fit, the amount paid" would not be subject to the tax. If the owner designates the place to which the topsoil is to be taken, the amounts paid the truckers are subject to tax. In any event, payments for hauling sand or gravel from the pit to point of initial processing are transportation and subject to tax, the ruling said.

This, the committee was told, is "fantastic," even without consideration of the application to small business without large accounting and staff organizations to interpret and comply with regulations. This particular witness, in behalf of his people, threw in a word of praise for the cooperation of the Internal Revenue Bureau on requests for interpretations. But even the Treasury Department, he said, "can hardly be expected to make clear what simply cannot be made clear."



NIGHT watchmen can guard buildings.

Steel vaults can protect valuables.

Insurance can cover losses.

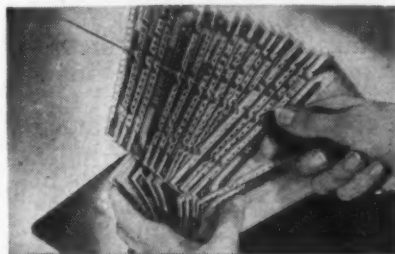
But one thing too few businesses protect themselves against is—stolen time! "Time stealers" can cost companies thousands of dollars every year.

Take the matter of check reconciliation, for instance. Some firms spend days—even weeks—to reconcile checks every month. Yet there's no need for employees to thumb through great batches of checks.

With McBee Keysort, checks can be reconciled with 50% to 80% more efficiency. It eliminates many laborious steps in sorting, checking, adding and inter-filing. What's more, any clerk can handle the entire operation with hardly

more than a half hour's training.

So if your accounting department is "all thumbs" when it comes to check reconciliation, call the McBee man near you. He'll be glad to give you a convincing demonstration. Or write us.



**KEYSORT CHECKS** save countless man-hours every month by increasing the efficiency of check reconciliation 50% to 80%. Why not discover how this Keysort Method can be adapted to your business to help you save time and money?



## THE McBEE COMPANY

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295 Madison Avenue, New York 17, N. Y. Offices in principal cities

## The Bald Head is Here to Stay

(Continued from page 42)

understood what was happening on top of his head. Lacking the facts, he has scarcely been able to make the proper psychological and philosophical adjustments to his good fortune, believing it to be misfortune instead, something to be avoided rather than welcomed.

Just ask the man who owns one and you'll learn that a bald head is a very handy gadget—and economical, too. No coiffure trouble such as worries about whether the barber will cut it right or whether it's neatly combed; no expense for brushes or tonics and no trouble with a shampoo.

Some may scoff at this sales talk favorable to baldness as so much sour grapes on the part of the man whose follicles have failed him—but not the scientist. He tells us that the egg head got in the vanguard of progress as part of the orderly process of human development. The only function of the hair today is decorative, like the parsley that garnishes a steak. In terms of utility it can be compared to the appendix, a vestige of the past.

Left to his own devices, with the new knowledge of the subject, the average man would be quick to appreciate these advantages and content to become bald. Some might even prefer it to keeping the light of their leadership hidden under their bush. Often, however, this blessing is denied a man through no fault of his own. In most cases man's efforts to save his hair represent a victory of his better half over his better judgment.

A recent report on the subject said that the female, with her proverbial intuition, has a feeling of inferiority in the presence of the bald man. Throughout the course of history, woman has pretty much had her way with men—hairy men, that is—and she lives in dread of the day of the bald-head, a superior being she no longer will be able to outsmart. Madame created the pompadour and she wants to preserve it for all time.

Trouble begins for the head of the household when the little woman finds some fallen hairs on his pillow. She's probably read that if a man sheds more than 30 hairs a day he's already well on the way to becoming bald.

If the man is smart—and his latent baldness should prove that he is—he'll say that the dog paid him a nocturnal visit, jumped up on the bed, and that Rover really did the shedding. A man without a dog or with a skeptical spouse may be out of luck and nagged into consulting his barber.

That's where most men with incipient baldness make their initial mistake. Barbers are useful citizens when they stick to their lather, but their knowledge of hair usually is confined to ways of removing it with clippers, shears or razor. Give the average barber the opportunity, however, and he will prescribe treatments for the care of the hair with such authority that he sounds convincing.

This writer consulted a dozen barbers about his own falling hair and got the formula for an equal number of sure-fire cures.

The first barber maintained stoutly that most men start to get bald because of dandruff, a condition correctable by more thorough and more frequent shampoo, preferably performed by a barber and



Wives are secret allies of the hair preservers and restorers

followed with a vibrator massage. Medical men, however, dispute this contention and point out that women and children have as much dandruff as men without becoming bald as a result.

A second barber cautioned against too much shampoo on the ground that water washes away the natural oils and dries out the

scalp which in turn causes the hair to fall and baldness to develop. Scientists say they have made special observations of men in such occupations as lifeguard and the fact that they constantly are getting their hair wet doesn't make them bald.

Among the other prescriptions offered by barbers were more frequent brushing of the hair, wearing it cut short, several kinds of tonics, singeing and use of a special scalp roller (over a cloth pad so that the roller would not become entangled with the hair).

### No cure for baldness

DR. LEE McCARTHY, an eminent American dermatologist who has spent years studying the subject, says in a book on baldness that no successful methods of preventing or curing the common variety of baldness are known to medical science. It is true, according to Dr. McCarthy and others in the medical profession, that some growth can be produced on a bald scalp. But this growth is known technically as "lugo hair" and resembles normal hair about as much as does the fuzz on a peach.

In summary, the advice of medical men is this: When baldness shows up before the age of 19, it is of the preventable or curable variety since the common type does not appear before that age. If it shows up after 19 it's likely to be permanent. If you're worried, your best bet is to consult your family physician. More than likely he, and the consultant he may call in, will tell you that there is nothing to do but grow bald gracefully. If he is a Bible scholar, he may call your attention to the story of Elisha as it is written in the Second Book of Kings, Chapter Two, as an example of what can happen to those who make fun of bald heads.

"So the waters were healed unto this day, according to the saying of Elisha which he spake.

"And he went up from thence unto Bethel: and as he was going up by the way, there came forth little children out of the city, and mocked him, and said unto him, Go up, thou bald head; go up, thou bald head.

"And he turned back, and looked on them, and cursed them in the name of the Lord. And there came forth two she bears out of the wood, and tare forty and two children of them."



## Power is Labor's Dilemma

(Continued from page 31)

into the minds of the American union members, too, the belief that they are not fighting for personal material advantages but for the redemption of mankind. And then the peculiar Messianic obsession which has played such a crucial role in strengthening the power of the European unions will have found its replica in the American unions.

Power, however terrific it may be, need not, of course, be misused. When the question, whether the European unions have misused their power, is raised, the stalwart pro-unionists naturally declare with emphasis: "No, this has never happened anywhere. Our power has always been used for the benefit of the community."

Contrary opinions can be expected only in the non-unionized sector of the population—which happens to be the majority in all countries, irrespective of the results of some of the first postwar elections. And even the non-union public, in Europe just as much as in America, in theory decidedly favors the unions. That the workers should unite and struggle to win better conditions for themselves, is quite all right in the eyes of most people.

But slowly, in the course of decades, black clouds of resentment have gathered and obscured this basic sympathy. Waves of annoyance surged, leaving behind permanent residues after such extreme performances as that of 1926 in Britain. Then the miners struck for six and a half months, wound up by proclaiming a general strike which put the country out of commission for ten days.

As long as I live I shall not forget the poisoned atmosphere of France in 1936 and 1937 when an avalanche of successive sit-down strikes disrupted all French industry for an indefinite period—the very period in which France had her last opportunity for rearming. Performances of this kind, which definitely did more harm to the country involved than good to the union membership, most effectively convinced the public that the unions were misusing their power.

But not only such dramatic spectacles generated disapproval. In the course of decades there slowly

crystallized the view that the whole policy of the unions—their peaceful activities no less than their noisy ones—are harmful. The same arguments as are beginning to take shape in the American debate today began to emerge decades ago in European minds.

The basic argument was, and is, that the unions, by forcibly draining every increase in national productivity—and even more than that—into the pockets of their members, conjure up two calamitous consequences:

First, no margin is left for price reductions; indeed, price increases often become unavoidable. Consequently, the position of the middle class, the professional groups

classes, and for a long time labor did not care to deny its own share in this decline. On the contrary, labor often indulged in expressions of indifference—even hostility—toward the middle class. There has also been, in grievous contrast to the vigorous industrial upswing in the United States, a progressing entrepreneurial stagnation in countries such as Great Britain and France. Obviously, this stagnation took away from the workers much more than they gained by all their deceptive wage raises. But even this left the unions adamant.

In the light of such experiences, the European non-union public was gradually confirmed in its conviction that many things in trade union practices, if not the unions as such, are disastrous for the whole nation, including the workers. As their power grew, resentment against their power also

grew and, during these last decades, attempts have been made from time to time in every democratic country to curb the unions to a greater or lesser degree.

None of these attempts has been successful. The power of the unions themselves, plus the power of the socialist parties, always prevented the application of truly effective remedies. An equally strong obstacle was presented by traditional democratic concepts; furthermore, reaching far into the ranks of the conservatives, an insurmountable reluctance to incur the odium of unfairness and brutality has manifested itself. There still was the fact that the worker, as an individual, has remained in many respects the underdog. This

fact time and again proved more impressive than the opposite fact that the workers, as a superlatively organized collectivity, have definitely become the upperdogs, superior to all existing social forces, inferior only to the power of the national governments. This has remained the dilemma of all democracies in relation to the unions.

There are two categories of means by which the power of the government can restrain the power of the unions, without making them completely defenseless. The law can somehow break them up into smaller, disconnected, local units; or the law can to some extent deprive them of their main weapon, the strike. No other paths are open.

Never during the approximately



"No, no! His was the bouillon!"

and those dependent upon fixed incomes progressively deteriorates.

Second, the formation of new capital is constantly shrinking, which means ever decreasing opportunity and stimulation for new investments, expansion, modernization, experiments—in a word, ever greater economic stagnation!

### Unions hurt middle classes

THIS is, in a nutshell, the anti-union theory all over the world. But in America it seems as yet to be little more than a gloomy warning of things to come. Europe has been able for decades to gauge the effects of trade union practices on its actual economic development. Indeed, there was everywhere a marked decline of the middle

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80 years since the full legal recognition of unions has a step been taken anywhere in Europe in the direction of partitioning unions. Never has any attempt been made to disjoin the "combinations," or trusts, cartels, syndicates, etc., which were engaged in setting up nation-wide labor monopolies. In fact, it has never occurred to Europeans to put a ceiling on the growth of any economic power whatever.

### No limit to monopoly

NEVER in Europe has there been a Sherman Act outlawing combinations that manipulate and control the prices or market conditions of any commodities or services. Consequently, no such idea occurred to anyone with regard to labor. It took decades before the Sherman Act was declared inapplicable to unions in the United States. For that purpose, two completely different standards had to be introduced—one for combinations controlling labor, and one for combinations controlling all other economic necessities. In Europe the standard for both was always the same; neither was ever subjected to any measure of curtailment.

Of the two possible methods of restraining the power of the unions, only one was thus used. Laws were enacted which sought to deprive them to some extent of the weapon of the strike. Many variations of such laws were tested in various countries in the course of decades.

One of these devices was at least not completely disappointing. Some countries resolved to subject certain labor disputes arising under certain circumstances to the authoritarian judgment of the public powers—arbitration. Germany was the first of these countries. Between the first world war and Hitler she created so-called labor courts, which settled labor disputes under their jurisdiction by verdicts that had compulsory force.

Unfortunately, there is no objective yardstick to determine what is a "just" wage. Therefore, the decisions of these courts, as a whole, once again reflected nothing but the power of the litigants. As a result, time and again verdicts were passed "in the name of the people," of a kind which the people wanted least—and rightly so. "Since Father State has taken matters into his own hands," a cheerful coal operator once told me after a conflict had been sent to the labor court, "we and the

unions are in each other's arms. The wise Solomon will grant them fatter payrolls, and will grant us fatter coal prices, and *you* will pay for both!"

True, the system of having labor disputes settled by the public authorities in some cases deprived the union of the strike weapon. But this was paid for by most unwelcome consequences of another kind.

Other devices achieved nothing. They were all of a type that is not unfamiliar in the United States. Strikes were held illegal unless certain formalities were attended to before they were declared. In actual fact it was not too risky even to neglect these formalities, because all of these laws lacked teeth.

For some inexplicable reason, democratic Europe always considered it abhorrently reactionary to threaten the unions with fines or the obligation of paying damages even for illegal strikes. But even when the formalities were honored, as a rule the only gain was a short delay. For instance the provision that a vote of the union membership must precede any strike practically never resulted in a disavowal of the leadership. Today when in the communist-directed unions of countries such as France and Italy, union members must cast their ballots publicly instead of secretly, under the pretext that such a procedure is more "virile," a vote against the leadership has become almost impossible.

### Union powers curtailed

THUS, never checked in the middle of the way, the unions in Europe advanced to the limits of possible power. But then—this was not, and will not be, the end of the story. No private army in history has in the end escaped the fate of either being crushed or forcibly incorporated into the government army. Even in cases in which the government failed to do this for many years, the day came when a less-inhibited government got into the saddle. And ironically it was often the very government that the private army itself had triumphantly raised into the saddle. Those whose instrument the private army is, often know best that such a great separate power is incompatible with the requirements of effective government. They are often most firmly resolved to tolerate nothing of the sort once they themselves accede to power. It was Hitler who crushed his own Storm Troops and made their rank and



file the lowest, most wretched Helots in his general army of Helots.

This is what threatens the unions the further they advance toward the peak of their power. In a large number of countries this has happened to them in the past 30 years, or is about to happen to them.

Avowed enemies suppressed or recklessly sequestered the unions in Germany, Italy, Austria and Spain. Alleged comrades sequestered and completely regimented them in all the countries which have hoisted the Marxian flag.

### Robbed of privileges

IN the weeks following the master performance of the Czechoslovak unions, their membership found themselves robbed of their old privileges piece by piece, and delivered defenseless to ever sharper governmental exploitation. Now, more slowly, more cautiously—for there are still elections!—the same process has begun in Great Britain.

Yes, we know, all this is only temporary, these are only emergency measures, only expedients for the more rapid achievement of the socialist paradise—but the fact is that the Labor Government has already laid the ax to some of the main pillars of union power and undermined some of the most elementary rights of the individual worker. Even now, strikes for whatever reason have been made virtually impossible, and the worker is obliged to accept any job assigned to him, no matter what the conditions.

This, too, is a lesson. It reminds us that questions of power are questions of degree. Many a power is beneficent as long as it remains a balancing power, but it almost inevitably invites its own destruction when it grows to be a dominant power. Those Americans who hope to prevent the unions from winning the excessive power of the European unions, are perhaps the best defenders of labor. Those who have a never-satisfied appetite for union power may in the long run be cursed by the workers themselves as their worst counselors. For the words of Edmund Burke are still true:

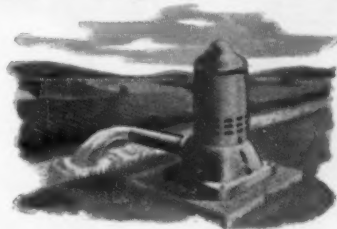
"Men are qualified for civil liberty in exact proportion to their disposition to put chains upon their own appetites. It is ordained in the eternal constitution of things that men of intemperate habits cannot be free. Their passions forge their fetters."



## Watered Investments!

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## Heigh-ho, Come to the Fair

(Continued from page 40)

pole was paraded through the crowds, a symbol of temporary sanctuary from past offenses. The authorities, however, did extract a promise from those who came to trade that they would not lie, steal or cheat so long as they were on the fair grounds. Any traders who weakened on their promises and were caught, had the right to be tried by the fair court instead of by the state court. These were called "pie powder courts" and were carried over to our colonial fairs, as was the general structure of old English fairs.

The colonial fairs in this country followed the same pattern. From the rugged New England woods and farms, families made their way to the fair. Lonely people came out of their distant haunts on their annual pilgrimage to the shrine of companionship. There was no inconsiderable courting. Many an early settler returned from the fair with a bride. Plenty of goods were bartered and bought and more ideas were exchanged. This was all in addition to the heavy emphasis on horse trading.

There was a dearth of profes-

sional entertainers in those puritanical days. The lack of them was made up by amateur talent. There were cockfights and bear baiting, foot races, spelling bees, and catching greased pigs. But the fair held to its pattern—trade, entertainment and learning.

And so the fair held to its birth-right when our country made the jump from a colony to a nation. As a people, we were on our own. We set out to make for ourselves our own fabrics, our own machinery, and our own way of life. To do it we had to improve and refine our source of raw materials from our own soil on a national scale.

### Fairs help better farming

WASHINGTON, Jefferson and Franklin all understood that and made efforts to bring people together in practical groups where all could learn the best ways of production from the experiences of one another. Stock breeders and farmers banded together in agricultural societies and joined in local meetings to discuss their common problems. Their objective was to find the best ways to in-

crease their herds, grow better and more grain and produce more wool and other products of the soil needed by our young industries. These first meetings were on the cold and academic side.

Then up popped the fair with its rugged ability to bring people together for exchange of anything from ideas to pins.

There was Elkanah Watson, who showed up after an adventurous life about 1809 to put a couple of merino sheep on exhibition. The sheep were a curiosity, but they also represented better means of production. Watson, in his puritanical way, was a showman. The more people who could be gotten together, he thought, the more who could be educated. To bring everyone to the fair he went overboard. In his time women's place was in the home. He took Mrs. Watson right out of the home. She encouraged the women of the community to show the wares of their households. She asked them to bring their jellies and sewing, their quilts and weavings to the fair.

Then came the introduction of a grandstand feature that has maintained its place to this day in the format of our county fairs. If owners and traders were discussing horses, and horses were the real power of farms and local transportation then, why not show off the best of these animals in a race? So, "hoss trots" were added to the agenda.

By 1819, Watson had fairs going so well he was able to talk the New York Legislature into an annual appropriation of \$10,000 to aid agricultural societies in putting them on.

Most states today make appropriations for the encouragement and operation of county fairs and pass laws permitting counties to levy taxes for improvements and maintenance of the grounds and for cash premiums for winning exhibitors.

In this way the state backs up the local fair association that operates the annual show. The association usually is made up of chambers of commerce, individual business men, stock breeders and public-spirited citizens who buy the stock in the association on the theory the fair is a barometer of commercial and individual achievement of the area.

The few states that do not have laws authorizing appropriations for fairs give aid in other ways. Georgia, for example, has no fair law on its statute books, which is characteristic of a number of the southeastern states. However, in Georgia the city and county pro-



BLACK STAR

Pioneer drawing cards, sheep still are major attractions



vide the land and water for the fair. The chamber of commerce raises the necessary capital stock and the city and county supply prison labor at times to take care of the grounds. Other expenses and premiums are paid out of receipts.

The income of fairs is largely derived from gate receipts, selling concessions and letting space to exhibitors of industrial products who use the old fair tempo to market their wares. Although they do not sell their goods on the spot, their displays speed buyers to local merchants to obtain the products displayed. There is an increasing demand for this type of exhibit space.

### New records seen

THE prediction that this year fairs will top their all-time record is based on sound figures. Let's view the achievement of the Iowa county and district fairs since they caught their stride after the war.

The Iowa Fair Association, in a report typical of the trend, disclosed that last year's receipts of the county and district fairs were the greatest in their history. Before the war, 80 out of 99 counties held fairs. Last year 92 counties had fairs and 95 are scheduled for this year. Last year the Iowa fairs grossed an all-time high income of \$2,197,000, which topped even the previous year's take by almost \$500,000.

Attendance at Iowa county and district fairs was up, with more than 1,500,000 passing through the gates.

And especially significant of the fair's virility is the interest of its exhibitors. Exhibitions in all classifications jumped from 27,700 to 33,500 in a single year. County aid given to county and district fairs for premiums and other purposes was \$137,000 in 1946. It was upped to \$168,000 in 1947, and this year allocations have been made for \$214,000. It looks, too, like a good time is going to be had by all. In 1946 more than \$282,500 was spent for entertainment and in 1947 it was increased to \$320,000. And this year will be bigger than ever.

The next three months will see the timeless and resourceful fair in full bloom throughout our country, its ancient drama and color still drawing people together for fun and trade. Perhaps the reason the fair is such a successful salesman can be traced to the root of its name. The old English called it "feire"; the French spelled it "foire"; the Italians had their way with "fiara" and the Latin "feria." The Latin root means holiday.



## "Shoeing" the Iron Horse



Every railroad car wears at least four pairs of "shoes." Not the kind of shoes *you* wear, of course, but heavy-duty brake shoes, upon which depend the safety and efficiency of every train that rolls.

These rugged cast-iron shoes will never actually be called upon to clamp down on train wheels speeding at 160 miles per hour. But in the testing laboratories where Association of American Railroad standards are set, they must prove they're tough enough to do just that.

Yes, and every brake shoe must fit in any brake assembly built by any brake manufacturer, so that it can be readily replaced at any railroad shop or terminal.

Fixing the requirements for such a commonplace item of equipment is just one example of the testing and development activities which railroads carry on through the Association of American Railroads, their mutual agency for the improvement of all

railroading. Comparable standards are also set for other interchangeable parts, such as wheels, axles, trucks, draft gear, and safety devices.

This is part of the cooperative effort by which railroads, while competing with one another for business, make sure that every piece of their equipment meets strict specifications for strength, safety, and convenience.

It is this kind of cooperation for progress which helps provide America with the most economical, the safest, the most efficient mass transportation system in the world.

ASSOCIATION OF  
AMERICAN  
RAILROADS

WASHINGTON 6, D. C.

## Portrait of a Happy Man

(Continued from page 37)

Foster sent a committee to the school board. Wouldn't members like to see a healthy, permanent new industry in town? The board would, and withdrew its bid. Today the mineral wool plant is in the building, and the company found room to lease part of it to the school authorities, too.

### Helps Birmingham grow

LAST year, combining cooperation with persuasion, the Chamber helped bring some 70 finished product plants to Birmingham—aluminum foundries and fabrication units, a new woodworking industry, three new paint manufacturing plants, a small textile industry, and some others.

During the war, Birmingham, under Chamber leadership, engaged in some sharp tussles for location of a huge B-24 and B-29 airplane modification plant for the Government. Birmingham got the plant. Recently, the Southeastern Conference, made up of colleges and universities, chose an athletic commissioner, "Bernie" Moore, who was director of athletics at Louisiana State University. After a talk with Foster and his cohorts, he located his headquarters in Birmingham. When the University of Alabama and Auburn renew football relations this autumn after a 40 year break, the game will be played in the Birmingham sta-

dium. A Chamber-led movement has just expanded stadium seating capacity from 24,000 to 46,000.

Alabama is a big cotton state, of course. Half a dozen years ago Foster and the board of directors accepted a proposal by the then president, Ervin Jackson, to make livestock a big industry in Alabama, and Birmingham the center of the industry. They organized a yearly rodeo in conjunction with the annual cattle fair, put the bee on local business men for financial guarantees, and papered the state with posters. Weeks ahead, the Chamber painted big silver signs on downtown sidewalks hailing the rodeo. Foster and his associates wore ten gallon hats, cowboy clothes, and checked their inhibitions at the gate. This year 55,000 paid to see trick riding, bronco busting and steer wrestling. They also saw Alabama cattle sell for high prices at a chamber-run auction.

The rodeo cost money, but last year Alabama livestock income was above that of the traditional money crop—cotton and cotton seed. The business men didn't begrudge a cent.

Analysis bares two fundamental principles beneath the peculiarly successful operation of the Birmingham Chamber. First, there is the single-minded concentration of Foster, and hence his staff, on betterment of Birmingham. Next comes a deep, broad, human gen-

erosity of spirit, a genuine desire to help others.

When business gatherings or other Chambers of Commerce schedule Foster for a speech, they know exactly what they're going to get: straight Chamber doctrine. The Birmingham Chamber manager leaves politics, international and other extra-civic affairs for those charged with such matters. His talks are direct, to the point, and drive home the story of American municipal improvement. He is convinced that the American capitalistic society is the best in the world, and is firmly against running to the Government, or any other agency, for help. He preaches free enterprise, fair profits, good business. If every town will concentrate on these principles, the country will take care of itself, he says and believes.

The second Foster commandment—cooperation, or just plain helpfulness—has paid rich dividends. Now, whenever a wilting Chamber of Commerce, in Alabama or out, needs a shot in the arm the call goes out for Birmingham's Foster. He rarely refuses. When Ensley, Ala., decided to change its Merchants' Association to a Chamber, Foster helped out. It was the same with Leeds, Ala.

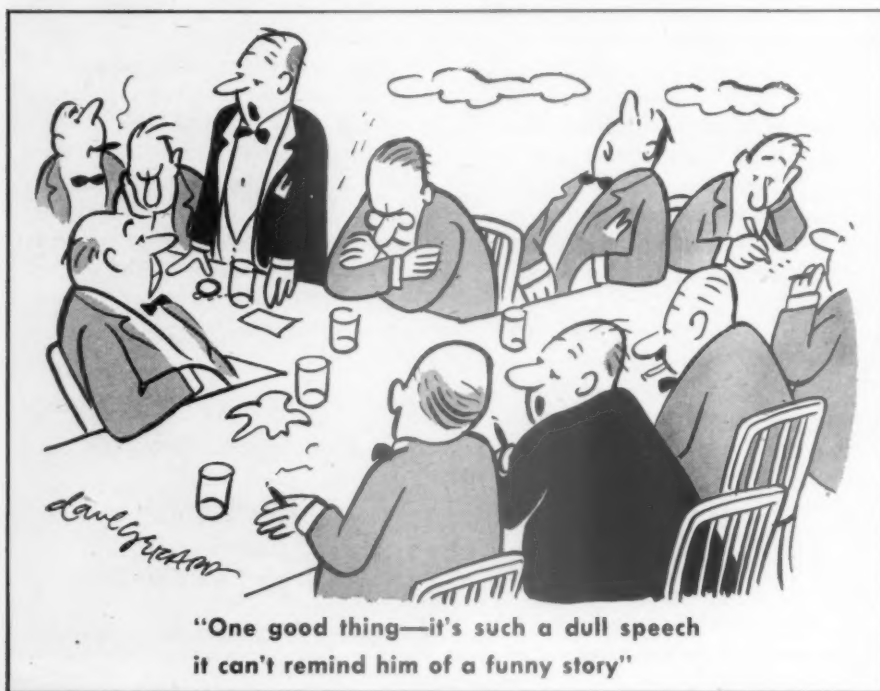
Audiences like Foster's speeches, despite his insistence that he is usually introduced with a statement something like "Shall I let you go on having fun, or introduce Lloyd Foster now?"

### New and better ideas

HE LOVES to exhort listeners to embrace new ideas. He pokes fun at civic stand-patters. "Do you know," he says, "that for 6,000 years we fool men pulled our shirts on over our heads, and only in recent years thought to split them all the way down and put on a few more buttons?"

On many of his trips he is chauffeured by his daughter, Mrs. W. D. Sims, Jr., known more affectionately, perhaps, as "Dee." Although she lives now in Decatur, Ala., where her husband is manager of the local Chamber, Mrs. Sims has been reared in the atmosphere of chamber work. Like her father, she has a flair for entertaining and making people feel at home.

Perhaps the most important reason why Foster and his Chamber function so smoothly and effectively is the wholehearted backing supplied by George Mattison, president; the board, and city merchants. Some 500 men and women,





outstanding business and industrial leaders, form the membership of 23 working committees. Local newspapers and radio stations cooperate with liberal publicity, a factor not unaffected by the wise, Foster-endorsed policy of energetic little Jessica Ingram, publicity chief. She believes in seeking headlines about projects accomplished—not things in the offing.

Birmingham's active mayor, W. Cooper Green; Mattison, past presidents of the Chamber, bankers and other civic leaders often gather in the Fosters' high-ceilinged apartment for night conferences. The parlor is big; there's not an uncomfortable chair in the room.

Talk is informal, but it brings results. Disagreements are threshed out. Plans are laid for new municipal projects, and strategy discussed for their accomplishment.

### Helps business organizations

FOUR years ago, Foster was asked to run a membership drive in the national organization for Chamber executives, known as the National Association of Commercial Organization Secretaries. This organization, then 29 years old, for years had had a few more than 850 members. Today NACOS has 1,900 members and Foster is president.

Each year he finds time, somehow, to deliver lectures at the major chamber of commerce training schools. For the Southeastern Institute for Chamber of Commerce Executives, which he helped to establish, Foster will deliver two lectures this year on business correspondence and letter writing.

These increasing calls on his time and talents have reduced recreation and ended golf for the Birmingham Chamber manager. He once played golf in the low 80's. Now he finds his fun in his work. He remains a faithful member of the Sixth Avenue Presbyterian Church, but no longer sings in the choir, as he once did.

Lloyd Foster says satisfaction in his job provides the exercise and interest which keep him young. It takes time to do it all, the way he operates. His creed is the "Second Mile," and he tries to make it the Chamber of Commerce catechism too. It comes straight from the Sermon on the Mount:

"And whosoever shall compel thee to go a mile, go with him twain."

That, interprets Foster, simply means doing more than just what is necessary; helping everybody, in every way possible.

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All-Steel Crosley Station Wagon seats 4, or 2 with 1/2 ton load. Priced \$600 to \$700 less than any other station wagon, costs about 1/2 as much to run. Typical owner's report:

Ernest Archibald, Box 87, Dixfield, Me., drove his Crosley 11,242 miles, averaged 40 miles per gallon of gasoline. Total cost, \$75.87.

Four other smart Crosley models to choose from.

**CROSLEY**  
a FINE car

For beautiful full-color catalog, write: Crosley Motors, Inc., 2532-DA Spring Grove Ave., Cin'tl 14, Ohio

## Their Sales Depend on Faith

(Continued from page 48)

Ninety per cent of the firm's work is in gilt-edged prayer books, marriage certificates and brides' manuals. Printing is done in six languages and prayer books, for example, are turned out that range from 96 page, leatherette or plastic-covered ones selling for a few cents, to 640 page volumes with mother-of-pearl covers that sell for \$50.

Similarly, vestment material used to be a heavy import item. But eight years ago one mill set up a new organization. It checked with the Vatican on correct colors, had a priest style 40 patterns all liturgically correct, and now offers vestment materials that range from those for the mass sets that sell for as little as \$60, to those for pontifical vestments with gold metallic thread valued at \$2,500 up. Its business is increasing yearly and it has now gone into the export field.

American suppliers of religious articles can be divided roughly into seven groups. There are the candle manufacturers—many situated in Syracuse, N. Y. Eight or ten major companies and a host of small ones compete, and some of the large oil companies also make candles for religious use. A second group makes clothing and vestments. The third consists of metalware manufacturers, largely concentrated in Providence, R. I., and Attleboro, Mass. These firms produce tabernacles, safes and chalices.

There are also statuary manufacturers, religious article firms making medals and rosaries, and the importers (many of whom are manufacturers as well) and publishers. Although the business of these firms is largely in Catholic religious articles, many of them produce goods for all faiths.

Recently, outside manufacturers—particularly those producing notions and gadgets—have been looking longingly at the field. Occasionally an outsider will turn up with what he thinks is a bright idea and which as often as not gets him into hot water.

Although the Catholic Church does not regulate the business in

religious goods, there are church laws concerning them. Mass utensils such as the cups or chalices which come into contact with the Sacred Host must be plated with precious metals. There are regulations covering materials to be used in altar candles. Any book concerned with morals or doctrine must have the imprimatur of a bishop. Regular manufacturers, publishers and dealers adhere strictly to the rules, and the National Association of Catholic Publishers and Dealers even has its own fair practices committee.

Some time ago, when one outside supplier had the notion of producing a doubly protective device for the superstitious—a rabbit's foot joined to a St. Christopher medal (St. Christopher is regarded as the protector of travelers), the committee hastened to point out that



this was a misuse of a religious motif and got the manufacturer to discard the rabbit's foot and to sell just the medal.

Another manufacturer wanted to put out a lampshade with scenes of the Crucifixion. This, too, was regarded as an improper use of sacred pictures and the manufacturer agreed to close out the item.

Sometimes the committee will pull a mistaken supplier's bacon out of the fire for him. One firm not long ago manufactured quantities of barometers which used the fig-

ure of the Lord to signify fair weather and the figure of a saint to indicate rain. When it was pointed out that it seemed demeaning to the Lord to make him a weather prophet, the manufacturer got a sober look in his eyes. "What am I going to do?" he begged. "This will break me." The committee, however, had an answer. All the manufacturer had to do, it pointed out, was to paint the figures over to represent choir boys.

### Traveling medallions

MANUFACTURERS within the industry are not averse themselves to broadening their activities. One, for example, has developed a thriving business in turning out St. Christopher car pins for non-Catholics. Medals for Catholics have inscribed on the back: "I am a Catholic. In case of accident, notify a priest." This manufacturer makes up quantity lots with the inscription left off, and automobile owners of all faiths use them.

On the whole, the religious goods industry is a stable one. It's one of the last to feel a depression and, because much of the selling is to institutions, is fairly stable even then. But, along with the absence of drastic downsurges, there has been a lack of any great upsurge.

It's notable, however, that several firms are making plans for modernization. A few bold spirits in the Midwest have completed revampings.

Others remain hesitant. The proprietor of one of the most ancient-looking stores on Barclay Street said:

"We make no pretense at trying to be modern. We're deliberately ancient. We think it pays. We think that's what our regular customers want."

One story is cited by those who think modernization is dangerous. In another part of town an enterprising spirit some years ago set up an establishment that far outdid any other church goods shop. It was a failure from the start. Nor was this due to location and lack of traffic.

It was noticed that people would stop to look in the windows of this luxurious shop, shake their heads and march on. But it was also noticeable that many of them would



stop at a tiny hole-in-the-wall jewelry shop down the street and inquire for rosaries, medals and other religious objects. The shop proprietor noticed it, too, and soon installed a small line. Once he did, his business in religious objects boomed. But he didn't make what he considered the mistake of his unwitting benefactor up the street. While the jeweler expanded his shop, he still retained the hole-in-the-wall atmosphere.

There seems some likelihood that the modernization movement will gain ground despite such opposition and also in the face of the reluctant attitude on the part of the average store proprietor.

The usual dealer in religious objects likes to think of himself as no ordinary supplier. The articles he sells inspire devotion. His, he indicates, is therefore not just a business but a vital mission.

He will tell you, too, that his is an old-fashioned business because religion is old-fashioned. He'll try to leave the implication that there is soundness in being old-fashioned.

A current reason for his action is that clergymen of all faiths have been calling increasingly for restoration of the family altar. What's needed, they believe, is a renewal of worship in the home along with a domestic atmosphere of religion manifested in pictures, sculpture and other holy objects.

### Try to sell laymen

THE man in Barclay Street may ponder that maybe advertising and modern methods are needed to attract more people into his store. He may have grounds for this reasoning, since it is known that department stores have been making inroads into the religious goods business.

It's significant that the National Association of Catholic Publishers and Dealers has retained an executive secretary with wide experience in trade association work and as a business engineer, and listens closely to a speech he delivers at regular intervals:

"You're doing a volume of \$20,000,000 a year. Fine! But 75 per cent of it is with the 200,000 priests, nuns and brothers and only 25 per cent of it is with the 24,000,000 lay Catholics. Think of the volume if the proportions were reversed and if you increased your business with the laity. The potential is enormous."

It sounds good in Barclay Street where the profits would be considered not only financial but spiritual.

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23,052 of these cars  
annually provide  
"through freight" service  
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## Ghosts That Haunt the Hustings

(Continued from page 45)

One of the top-flight magazine editors has signed many articles, but so far as known he has not written one. Yet the ideas were his, he had personally found the facts, and he told his helper just what he wanted written and how. He has all the qualifications of an ace editor except that he cannot write. Another man has published many articles, at least one book which had almost a best-seller sale, and delivered innumerable speeches. At one time he was editorially mentioned as a presidential possibility. His ghost did the work for him but the material was his own.

### Ickes pens his own

**HAROLD ICKES** really likes to write. When a Washington newspaper steps on a tender Ickes toe, an Ickes production is certain to be in the "Letters from the People" column the next day in the unmistakable Ickes style. Even Ickes had to use ghost writers when he was at the top of his PWA form, feudin' and fightin' with all hands in his effort to get full value for the Government's millions. He simply could not look up from his shotgun long enough to use a type-writer. The story in circulation at the time was that his ghosts were about as morbid as apparitions could be.

"He doesn't cut the checks," they complained.

The story has never been denied publicly. At the height of his fame Ickes was usually paid \$1,000 for a magazine article and if the man who wrote it had been given the customary 50-50 split he could have bought his baby several new dresses. It is not reported that any one of the complainants added to Ickes' troubles by taking the matter up with him personally.

The late Charley Michelson, of course, was the ghost emeritus. Herbert Hoover and his friends believed that they were turned out and Roosevelt brought in through Michelson's machinations while he was the \$25,000 a year publicity chief of the Democratic National Committee.

Michelson's real contribution to the industry was in the adaptation of mass production methods. He originated the plan—which ghost writers have followed ever since—of making each speech double and redouble. He provided wagonloads of copy to the Democratic orators:

"All I ask is that they can pronounce the words," he said.

At the first bleat of Republican anguish he brightened up his needle and plunged it in again, in a slightly modified form. His speeches covered the land from San Diego, Calif., to Portland, Me. He was a prolific writer.

A young man in the West developed such ability for translating his boss' rumblings into good English that he is paid \$20,000 a year. Not long ago a ghost became the vice president of a railroad and might have become president if he had not overworked himself and died. Gael Sullivan began life as the ghost for Mayor Kelly in Chicago and has moved on to a \$50,000 job.

Sometimes, of course, the ghost fails. President Truman had a stable of magnificent phantoms, but they failed to get on his beam. When he read a prepared speech he sounded like a grown-up small boy unwillingly reading an address to Dear Teacher. When he cuts loose from the mimeographed word he is a ball of fire. A society of newspaper editors sat glumly on their hands until he threw away the copy:

"From now on this is off the record—"

### Talking vs. reading

THE editors applauded until their hands were hot. He talked without notes to a gathering of parents in Washington and they cheered him. In neither case was anything wrong with the material provided, but when he read it he sounded like the faded simulacrum of a phantom.

Only now and then is a public man, in government or not, as well served as was "Puddler Jim" Davis when he was secretary of labor. Thomas R. Shipp, then as now in the publicity business, used to hide a stenographer behind Davis' chair and then get the old gentleman started. Davis marveled at the accuracy of the reporters:

"Those guys are wonderful," he said. "They get my very own words."

One day Davis showed Shipp a check for \$150.

"First time in my life," he said, "a magazine ever paid me for anything I wrote."

Shipp brightened in anticipation. Then Davis put the check in his own pocket.





## Self-Service Gas

**M**ORE THAN one veteran oil man thought George R. Urich of Whittier, Calif., had gone mad when he opened an 18 pump self-service gas station in East Los Angeles a little more than a year ago.

Despite his break from the tradition of serving the customer's every whim, business boomed to the phenomenal high of more than 200,000 gallons in the first 30 days. The average soon climbed to 300,000 gallons a month.

Three factors are credited for the success: first, customers save several cents on a gallon; second, they like the girl cashiers clad in red jackets and white coveralls who roller-skate up to collect; third, they enjoy the novelty of waiting on themselves.

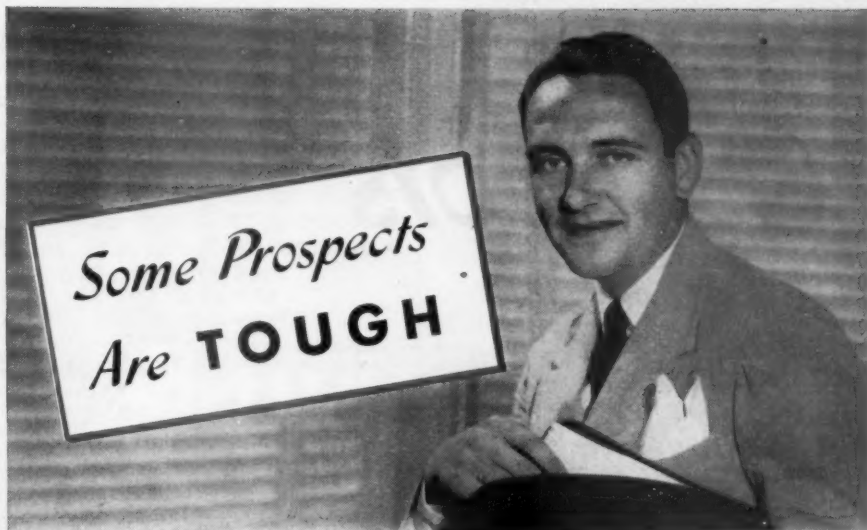
There is no waiting for others. The customer pumps his gas, pays and leaves. Six islands with three pumps each serve the trade. Only gas and oil are available at the pumps. Water and air may be had in a rear area.

Automatic shut-off devices prevent gas from overflowing tanks. Spillage thus is held to less than one half of one per cent.

The firm can sell gas cheaper than competitors chiefly because Urich also owns several other stations, thus can buy in quantity lots. He has fewer employees.

That Urich's self-service venture is a success is backed not only by his ledgers, but by the fact that competitors have entered the field.

—JAMES F. SCHEER



LOHR

FRANKLY, I joined our local chamber of commerce to meet people, make friends and sell lots of insurance. I joined other organizations for the same reason. Though it worked wonders, there was always that group which couldn't be sold. Either it thought rates were too high or the need not obvious enough. Sure I had the answers, but the tough prospect requires much time and many calls. Too many calls and he gets mad. Not enough and he forgets your story.

My problem was putting to work the time between calls to keep him sold. Then our chamber started fire prevention and safety campaigns. The manager called me an expert, asked my advice. Dozens of follow-up letters couldn't have done my job as well.

The people of this community—and my prospects—were made conscious of the tragic cost in life and money to the community and its individuals. No day passed that our citizens were not reminded by outdoor boards, newspapers and personal calls of fire and accident losses. Some prospects came to me. Others were a soft touch for my next call.

These campaigns have already paid off in such things as lower taxes and insurance rates.

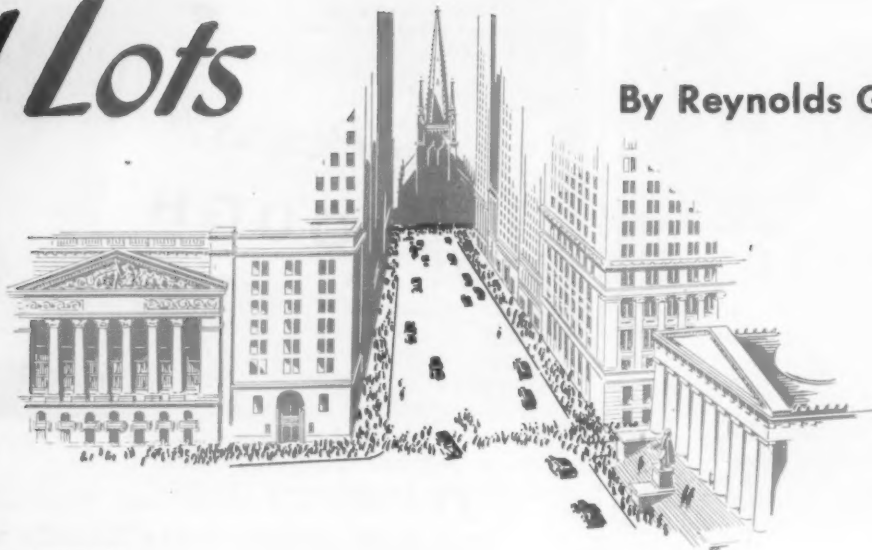
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# Odd Lots

By Reynolds Girdler



## Wall Street in Paris

THIS month American tourists will again roll through the streets of Paris. Since they will all, at one time or another, have lunch at Maxim's, they will have no trouble finding the only American stock exchange branch in the French capital. Right across from Maxim's is the Paris office of Bache & Co. During the occupation, German officers were quartered there. But the day after the American Army liberated the city, Bache opened with a bang of optimism. There is little business done for French nationals in American securities, even though many a Frenchman still owns American stocks with the certificates safely held in New York. But American tourists drop in to place their orders and, of course, there's always a lively traffic in travelers' checks. Still on the Bache wall is the German sign telling Frenchmen to rise whenever a German enters. The Bache people figure it's a good argument for preparedness.

★ ★ ★ ★ ★

## Progress Note

LITTLE by little, the SEC is giving up some of the bureaucratic non-sense of its early New Deal days. On three occasions lately, it has allowed use of a prospectus that actually invites reading by an investor considering purchase of the security. This is contrary to the old SEC philosophy, which originally operated on the theory that the investor should be protected against any possible exposure to investment knowledge.

Just before the first public offering of Associated Telephone preferred stock, a Los Angeles investment man by the name of George

Jones got the idea for a convenient, pocket-sized prospectus. Jones reasoned that an investor would be more likely to carry such a document around with him and study it from time to time than to struggle through the forbidding old-type prospectus.

The idea was submitted to the SEC. At first, that body was shocked at the notion. But since something similar was being used by investment companies under special regulations of the act, the SEC could hardly discriminate against corporate securities.

The new prospectus is just as informative as the old. Textually, it differs little. But it mails for six cents against 20 cents for the old and, above all, is infinitely easier to read.

★ ★ ★ ★ ★

## Elevation

AN ELEVATOR operator in a downtown building has a nice sense of distinction between speculation and investment. Any money he wins on the horses he immediately invests in Consolidated Edison common; he now has 90 shares. Wall Street is impressed by his investment judgment but even more by his ability to judge horseflesh.

★ ★ ★ ★ ★

## Two Markets

THE question of better market places is up again in Wall Street. This time it started with Blyth & Co., a prominent investment bank-

ing firm. Since Blyth is a corporation and not a partnership, it cannot belong to the Stock Exchange. But through its far-flung over-the-counter trading department, it announced markets in 23 Big Board stocks.

The Stock Exchange was quick to take note. In a circular to members, it reminded them of a rule requiring any member firm to get permission from the Exchange before buying or selling any listed stock off the Exchange floor.

Wall Street thinks the Exchange is unnecessarily alarmed. On any stock that has broad enough ownership and enough activity, the Exchange can offer a better market than any other bourse. Those stocks that do not have broad enough ownership and great enough activity ought not be listed in the first place.

The incident has given another argument to those who would allow corporations to hold Stock Exchange membership. If firms such as Blyth & Co. were admitted to the exchange, they argue, they would not set up competing marketplaces. There the issue rests, and there it will likely die.

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## Fractions

A STOCK EXCHANGE firm in staid Philadelphia has become the first to peddle its wares over television. Programs are built around video appearances of prominent Philadelphia business men, though one broadcast was enlivened by appearance of the Panther Valley



Miner's Octette. The firm's partners were greatly pleased with *Variety's* praise of the show. . . . In the Midwest, a firm bullish on a certain steel stock has offered \$100 in prizes for the best letters extolling the stock's peculiar virtues. . . . In Pasadena, the Board of Education tried out an adult class in the fundamentals of investment. The class proved so popular that next semester more classes will be held.

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## Flags and Forums

WHEN General Eisenhower made his first talk to the business world about two years ago, he chose, naturally enough, the Calvin Bullock Forum.

These exclusive gatherings of the great and near-great are held regularly in the flag-bedecked offices of Calvin Bullock, investment management firm at One Wall Street. They were started in 1937 by the senior Bullock, a New Englander who went to Denver in 1894 to open an investment firm, prospered, and came to New York in the 1920's. Before his death in 1944, Bullock had established his organization as one of the pioneers and leaders of the mutual fund business.

Bullock conceived the forums as a form of adult economic education. Over the years they have attracted a list of speakers that fairly gleams with the silk hats of political leaders, the brass of generals, the braid of admirals and the robes of royalty. Because of the quality of speakers and the limitations imposed on the size of the audience, invitations to attend the forums are eagerly accepted by industrialists.

Latest speaker was King Peter of Yugoslavia, who talked as bluntly as you would expect from an exiled king. Others who preceded him include Crown Prince Olav of Norway, Archduke Otto of Austria, the ambassadors of England, India, Eire, Italy, Poland, the Netherlands, Spain and Russia. Two women have spoken: journalist Anne O'Hare McCormick and that glamour gal of the British Empire, Lady Louis Mountbatten.

The Bullock firm manages publicly held funds aggregating \$100,000,000 and another \$100,000,000 in private funds. Son Hugh Bullock, long an associate of his father, now heads the firm, and is continuing the flag collection that lights up the Bullock reception room.

The collection started from the senior Bullock's interest in Napoleoniana. First flags were from

some of the little Corsican's famed regiments. To these have been added the Union Jack from Nelson's Trafalgar flagship "Victory"; the personal standard of the commander of the British fleet that covered the first North African landings; the jack of the destroyer *Phelps*, first American warship to anchor in a Jap harbor.

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## Birthdays

FIRMS of 50 years' duration are becoming fairly common in Wall Street. Latest to mark its golden anniversary is Butler, Herrick & Marshall. Founded in 1898 as George P. Butler & Bro., the Butler firm has remained remarkably stable in personnel. Five of its associates have been with the firm from 30 to 47 years; two have been there 26 years and two for 25.

★ ★ ★ ★ ★

## Promotion

FOR YEARS, the firm of Arthur Wiesenberger has been headquarters for investment trust information. As a service to the industry, the firm each year issues a manual of data on this highly specialized form of investment. Now it has broken new ground for the promotion of funds. Wiesenberger first prepared a series of advertisements on investment trusts, and cleared them, after some difficulty, with the SEC. To participating dealers throughout the nation, the Wiesenberger firm is offering use of the ads. Just to show that there's nothing new under the sun, the copy for the ads stresses the same points on investment trusts that first brought them to popular notice in the 1920's.

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## Family Business

SOURCE of much Wall Street business over the past few years has been the public offering of stock in thriving, family-owned companies. Such public sale of private holdings has a twofold purpose: (1) to establish an indisputable market price for the stock against the eventual grasp of the tax collector, and (2) to raise cash against the day that inheritance taxes must be paid. The other day the firm of Kidder, Peabody & Co. had such a deal. The offering was made on a Tuesday; the books were closed on a Friday and the check given the company. The next Monday the company founder died, with his estate in order, his heirs protected.



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# On the Lighter Side of the Capital



## A slice of Americana

THE MAN said the President was pleasantly discursive that night. He does not often have a chance to sit down and philosophize. Important persons have their names on the calendar weeks ahead, either to tell the President how to run the nation's business or to swing a bright object before his eyes while they get out their burglar tools. On this night the President talked about playing politics: "The greatest game in the world—"

He said he is not a very good player, but he likes it. His back-room experience with that other old American game—draw poker—taught him a lot. He observed that, after a period of wandering in the wilderness afar from Hoyle, the old game has returned to its essentials. People play the hallowed hands now, royal flush high, instead of dancing around with wild thises and thats. It takes true genius to bluff successfully, he said. He was never very successful at it. Somewhere during the course of the hand he was likely to twitch or something.

There is more to this paragraph than a dissertation on a game of chance by an eminent player.

## One bite from behind

RETURNING to politics for a moment—

When he was a boy on that Missouri farm, said the President, he had a large, shaggy dog named Shep. He loved Shep and Shep loved him. Shep followed at his heels as he toiled down the rows of corn or potatoes or whatever. Sometime during the day Shep was certain to bite him from behind:

"A treacherous varmint," said the President's friend.



"Not at all," said the President. "I knew he was going to do it. Only I didn't like it when my pants were tight."

The President's friend said he was dead sure that the President would call Congress back to Washington some time in the course of the summer. He knew that for certain. The trick was to issue the call when the congressional pants were tightest.

## A tall man wandering

IF the man across the table in the Short Order House—T-bone Steaks a Specialty—is tall, with a kind of skinny muscularity, and a friendly look in his eye and given to in-offensive questioning about crops and taxes and local business in a toned-down British accent it might be just as well not to let too much Anglophobia creep into the talk. Because he might be Sir Oliver Franks, the new-come British ambassador.

If he has his way about it he will knock around this country during the summer, maybe in a small car, maybe accompanied by his wife, who is also a nice person. He might even discuss British politics and conditions. He will not make any apologies for anything, that being no part of an ambassador's business, but when even a lion gets his tail caught in the door unexpected sounds may issue. He might even make a small joke. He is the kind of a man who wouldn't fluster the wife if you take him home to supper. He doesn't play a very good game of golf, if you are interested.

## If this be treason

AMERICANS who sit in little sulkies behind trotting horses have a nice word to describe nags which have speed but which for some reason cannot show it:

"He couldn't untrack himself," they say.

Lord Inverchapel preceded Sir

Oliver as ambassador and never did untrack himself. To the last day of his stay he impressed those who met him as though he felt he were dealing with colonials. There was never any question of ability, because he had had a long and fine career in the British diplomatic service. Most of his life was spent with the "lesser breeds," which may have colored his manner. Perhaps he had just come to the end and was glad of it and wanted to go home.

## Princes in a row

ONE of the society editors in Washington wrote that:

"There were nine princes in the receiving line—"

And let it go at that. She did not name them, go into details of their breeding, or tell how many castles they used to own subject to mortgage. In the same newspaper at approximately the same date a prize terrier drew a two-column picture and 300 words of reading matter. A lady's marriage to a doctor on a horse farm was good for a column. Two colored fighters made the first page. An editor served notice on the Free State that he would print the news in defiance of somebody's ruling. Ten years ago Billy Rose would have been over here with a *sub duces* or something and put the nine princes in swimming suits. There isn't even a social revolution to worry about. Just another allergy.



## Indestructible old men

THE senator said he had conducted a kind of poll of the bosses at the two national conventions. The regular pollsters seem to find their samplings pretty satisfactory. He knows some boss from every state at the two big fairs:

"Not intimately, you know. I never connived with all of them. But well enough to know about their bigamies and such."

He said that, if he had had any preconceived notion of the destructibility of the human frame, they were all shot to bits by the goings-on at Philadelphia:

"Mind you, I know these old buzzards."

Almost every one had some kind of a chronic disease ranging from King's Evil down to arthritis. Many of them habitually keep a medicine bottle on the mantel. The majority was old. The youngsters like



enough were grandpas. They were old enough. Any fair-minded publicist would have labeled the whole billing as venerable, except for their habits. And what, asked the Senator, happened:

"They slept an average of three hours a night, what with interruptions by telephone and messengers and perturbed friends with bottles who were too important to be kept out. They finished strong, bright-eyed and full of chicanery. What does 'Materia Medica' say about that?"

### Always take a chance

"WHO sent you to me?" asked Paul G. Hoffman, purveyor of manna to Europe. The man who wanted a job said that nobody sent him:

"I just took a chance."

Hoffman sent him out to be vetted. If he passed inspection he would get a job. Hoffman likes chance-takers, his friends say. He is a firm believer in sheer sweetness in the other fellow. When he was selling second-hand cars, and in those days a second-hand car was pretty awful, he gave a fresh young applicant a chance to try his selling powers. Two days later the youngster reported.

### Start of a career

"I SOLD that one-lung Cadillac," he said. "Got \$150 for it. I had to give the old guy who bought it a tough demonstration."



Hoffman asked how this had worked out:

"All right," said the kid. "The old car ran fine on the level. Had a little trouble when we got home, though. The sill of the garage door was too high. Couldn't get the car in."

"Gee," said Hoffman. "That was tough. Sale made and everything. What did you do next?"

"That was a natural," said the young fellow. "I sold him a new door—"

Job applicants should paste this anecdote.

### A matter of conscience

HOFFMAN once said that he has a New England conscience:

"A person with a New England conscience, contrary to the usual belief, is not one who does not do wrong; he does wrong quite often; he just does not enjoy it."

Report from the hotel lobbies is that he does not enjoy seeing oth-

er people do wrong, either. Not that he is priggish about it, but he had a pretty thorough drilling in wiles fancied by those who deal with the Government.

Lindsay Warren, the disillusioned comptroller general of the Government, may have helped him. "You steal a million here and a million there," says Warren, "and pretty soon it adds up to a lot of millions."

### A recollection of Henry

ALL of which recalls a plaint by Henry Morgenthau when he was Secretary of the Treasury:

"I am very unhappy," he said. "I am too suspicious. That is all very well in my official capacity, but I suspect every one."

### An incurable hot-spot

AS COMPTROLLER GENERAL, Lindsay Warren laments that he is, so to speak, between two fires and both of them hot. When anything goes wrong it is our national habit:

A. To pass a law;

B. To break it.

Warren's job is merely to enforce the laws which relate to the Government's fiscals. One would think that should be a fairly simple operation but in fact many a well meant law would be unfair and tyrannical if strictly enforced. Now and then Congress amends or the Supreme Court abolishes, but in between Warren is obliged to enforce.

### An act of discretion

HE HAS not the freedom of action which Nick Longworth reported of his negro butler when he was the speaker of the House. That functionary was not only disloyal to the House of Longworth but he had violated a contract:

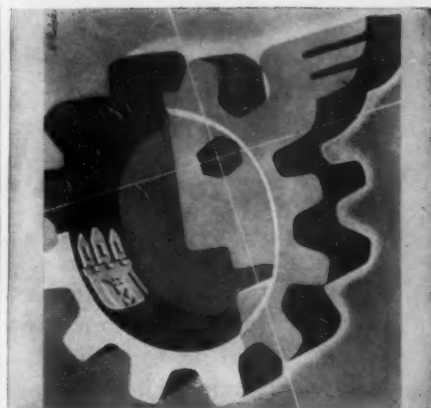


"What d'ye mean by it?" Longworth asked. "The Republicans paid you \$75 to vote the Republican ticket and the boys tell me you voted Democratic. They only gave you \$50."

"I struck a blow for honesty in elections, Mr. Longworth. I feel deeply that politicians got no right to corrupt the electorate. It's reprehensible."

"You got corrupted plenty," said the speaker.

"I owed it to my own self-respect to vote for the side that corrupted me least."



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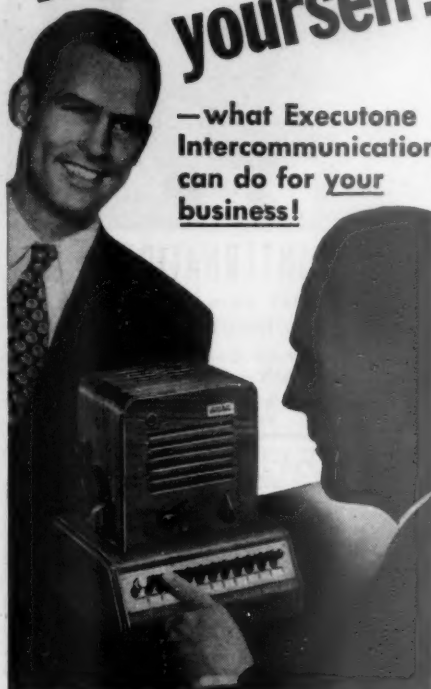
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